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LEGISLATIVE HISTORY

Public Law 507—77th Congress

Chapter 199—2d Session

S. 2208

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## DIGEST OF PUBLIC LAW 507

SECOND WAR POWERS ACT, 1942. Extends the emergency powers of the Interstate Commerce Commission over railroads to all motor carriers (including the right to suspend operation of all established rules and regulations, the right to make directives with respect to service given to such vehicles, the right to require the joint or common use of terminals or other facilities, and the right to direct preference or priorities in transportation). Removes the time limitation of 180 days beyond which the Commission may not provide, without a hearing, for carrier service to points where no carrier service is available, but is immediately and urgently needed.

Authorizes acquisition, by condemnation or otherwise, of real property together with any personal property located thereon which is deemed necessary for military, naval, or other war purposes by the Secretary of War, the Secretary of the Navy, or any other agency authorized by the President. (Broadens the scope of the act of July 2, 1917 which, though authorizing acquisition of real property, limits the cases in which that power may be exercised, permits its exercise only through Secretary of War, and does not make it clear that personal property may be acquired as an incident to real property acquired thereunder).

Amends the act of June 28, 1940, as amended by the act of May 31, 1941, pertaining to priorities and allocations, so as to permit allocation of facilities as well as materials upon such conditions, in such manner, and to such extent as the President determines.

Amends the requisitioning law of October 15, 1941, by removing the prohibition against requisitioning of any machinery or equipment in actual use in connection with any operating factory or business and which is necessary to its operation.

Authorizes Federal reserve banks to make limited purchases of Government obligations directly from the Treasury. Exempts from the Hatch Political Activities Act part-time officers or employees without compensation or with nominal compensation, serving in connection with the war effort, other than in any capacity relating to procurement or manufacture of war material. Empowers the President to direct the Federal Security Administrator to assign Civilian Conservation Corps enrollees to protect war industries and resources subject to forest-fire hazards, and utilities.



DIGEST OF PUBLIC LAW 507

|                   |                                                                                                                                                        |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 16, 1942  | S. 2208 was introduced by Senator Van Nuys and was referred to the Senate Committee on the Judiciary. Print of the bill as introduced.                 |
| January 19, 1942  | H. R. 6407 was introduced by Rep. Sumners and was referred to the House Committee on the Judiciary. Print of the bill as introduced. (Companion bill). |
| January 22, 1942  | Senate Committee reported S. 2208 with amendments. Senate Report 939. Print of the bill as reported.                                                   |
|                   | Amendment proposed by Senator Truman. Print of the amendment.                                                                                          |
| January 24, 1942  | Amendment proposed by Senator McNary to S. 2208. Print of the amendment.                                                                               |
| January 26, 1942  | Amendments to S. 2208 proposed by Senators Brooks, Clark, Murdock, and Taft.                                                                           |
|                   | Senate debated S. 2208.                                                                                                                                |
| January 28, 1942  | Debate concluded. Passed Senate with amendments.                                                                                                       |
| January 29, 1942  | S. 2208 was referred to the House Committee on the Judiciary. Print of the bill as referred.                                                           |
| January 30, 1942  | Hearings: House, S. 2208.                                                                                                                              |
| February 9, 1942  | House Committee reported S. 2208 with amendments. House Report 1765. Print of the bill as reported.                                                    |
| February 23, 1942 | House Rules Committee reported H. Res. 444 for the consideration of S. 2208. House Report 1818. Print of the Resolution.                               |
| February 24, 1942 | House debated S. 2208.                                                                                                                                 |
| February 25, 1942 | House debate continued.                                                                                                                                |
| February 26, 1942 | House debate continued.                                                                                                                                |
| February 27, 1942 | House debate continued.                                                                                                                                |
| February 28, 1942 | Debate concluded. Passed House with amendments.                                                                                                        |
|                   | Print of the bill with the amendments of the House numbered.                                                                                           |
| March 4, 1942     | House Conferees appointed.<br>Senate Conferees appointed.                                                                                              |



|                |                                                                                                                                               |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| March 12, 1942 | House received the Conference Report. House Rept. 1896.                                                                                       |
| March 16, 1942 | House agreed to the Conference Report.                                                                                                        |
| March 19, 1942 | Senate agreed to the Conference Report.                                                                                                       |
| March 23, 1942 | House agrees to Senate Concurrent Resolution 27 to authorize the Secretary of the Senate to change the title and section numbers of the bill. |
| March 27, 1942 | Approved. Public Law 507                                                                                                                      |









77TH CONGRESS  
2D SESSION

# S. 2208



IN THE SENATE OF THE UNITED STATES

JANUARY 16, 1942

Mr. VAN NUYS introduced the following bill; which was read twice and referred to the Committee on the Judiciary

## A BILL

To further expedite the prosecution of the war.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—EMERGENCY POWERS OF THE INTER-  
4 STATE COMMERCE COMMISSION OVER MOTOR  
5 CARRIERS

6 SEC. 101. Section 204 of the act of August 9, 1935  
7 (49 Stat. 543), otherwise known as the Motor Carrier  
8 Act, 1935, as amended, is hereby amended by adding  
9 after subsection (d) thereof the following:

10 “(e) The Commission shall have authority with respect  
11 to motor carriers, to be exercised under similar circumstances

1 and procedure, equivalent to the authority it has with re-  
 2 spect to other carriers under section 1 (15) of part I, and  
 3 shall have authority to make reasonable directions with re-  
 4 spect to equipment, service, and facilities of motor carriers,  
 5 and to require the joint use of equipment, terminals, ware-  
 6 houses, garages, and other facilities; and motor carriers  
 7 shall be subject to the same penalties for failure to comply  
 8 with action taken by the Commission under this paragraph  
 9 as other carriers for failure to comply with action taken by  
 10 the Commission under section 1 (15) of part I.

11 “(f) Notwithstanding any other applicable provision of  
 12 this Act, to the extent that it may be in the public interest,  
 13 the Commission may modify, change, suspend, remove, or  
 14 waive any order, certificate, permit, license, rule, or regula-  
 15 tion issued under this part.”

16 SEC. 102. Subsection (a) of section 210a of said Act is  
 17 hereby amended by striking out the words “but for not more  
 18 than an aggregate of one hundred and eighty days.”

## 19 TITLE II—ACQUISITION OF PROPERTY

20 SEC. 201. The Act of July 2, 1917 (40 Stat. 241),  
 21 entitled “An Act to authorize condemnation proceedings of  
 22 lands for military purposes”, as amended, is hereby amended  
 23 by adding at the end thereof the following section:

24 “SEC. 2. The Secretary of War, the Secretary of the  
 25 Navy, or any other officer, board, commission, or govern-

1 mental corporation thereto authorized by the President, may  
2 acquire by purchase, donation, or other means of transfer,  
3 or may cause proceedings to be instituted in any court hav-  
4 ing jurisdiction of such proceedings, to acquire by condemna-  
5 tion, any real property, temporary use thereof, or other  
6 interest therein, together with any personal property located  
7 thereon or used therewith, that shall be deemed necessary,  
8 for military, naval, or other war purposes, such proceedings  
9 to be in accordance with the Act of August 1, 1888 (25  
10 Stat. 357), and any other applicable Federal statute: *Pro-*  
11 *vided*, That upon or after the filing of the condemnation  
12 petition, immediate possession may be taken and the prop-  
13 erty may be occupied, used, and improved for the purposes  
14 of this Act, notwithstanding any other law. Property ac-  
15 quired by purchase, donation, or other means of transfer  
16 may be occupied, used, and improved, for the purposes of  
17 this section prior to the approval of title by the Attorney  
18 General as required by section 355 of the Revised Statutes,  
19 as amended.”

## 20 TITLE III—PRIORITIES POWERS

21 SEC. 301. Subsection (a) of section (2) of the Act  
22 of June 28, 1940 (54 Stat. 676), entitled “An Act to  
23 expedite national defense, and for other purposes”, as  
24 amended by the Act of May 31, 1941 (55 Stat. 236), is  
25 amended as follows:

1       (a) In paragraph (1) of said subsection (a), strike  
2 out the words “this section” and the words “this subsec-  
3 tion” wherever they appear, and substitute the words “this  
4 paragraph”.

5       (b) Strike out paragraph (2) of said subsection and  
6 substitute a new paragraph (2) and add paragraphs (3)  
7 to (8), as follows:

8       “(2) Deliveries of material to which priority may be  
9 assigned pursuant to paragraph (1) shall include, in addi-  
10 tion to deliveries of material under contracts or orders of  
11 the Army or Navy, deliveries of material under—

12       “(A) Contracts or orders for the government of  
13 any country whose defense the President deems vital  
14 to the defense of the United States under the terms of  
15 the Act of March 11, 1941, entitled ‘An Act to pro-  
16 mote the defense of the United States’;

17       “(B) Contracts or orders which the President shall  
18 deem necessary or appropriate to promote the defense  
19 of the United States;

20       “(C) Subcontracts or suborders which the Presi-  
21 dent shall deem necessary or appropriate to the fulfill-  
22 ment of any contract or order as specified in this sub-  
23 section. Deliveries under any contract or order specified  
24 in this subsection may be assigned priority over deliv-  
25 eries under any other contract or order; and the Presi-

1       dent may require acceptance of any performance under  
2       such contracts or orders in preference to other contracts  
3       or orders for the purpose of assuring such priority.  
4       Whenever the President is satisfied that the fulfillment  
5       of requirements for the defense of the United States will  
6       result in a shortage in the supply of any material or of  
7       any facilities for defense or for private account or for  
8       export, the President may allocate such material or  
9       facilities in such manner, upon such conditions and to  
10      such extent as he shall deem necessary or appropriate  
11      in the public interest and to promote the national  
12      defense.

13      “(3) The President shall be entitled to obtain such in-  
14      formation from, require such reports and the keeping of such  
15      records by, make such inspection of the books, records, and  
16      other writings, premises or property of, any person (which,  
17      for the purpose of this subsection, shall include any individual,  
18      partnership, association, business trust, corporation, or any  
19      organized group of persons, whether incorporated or not),  
20      and make such investigations, as may be necessary or ap-  
21      propriate, in his discretion, to the enforcement or administra-  
22      tion of the provisions of this subsection.

23      “(4) For the purpose of obtaining any information,  
24      verifying any report required, or making any investigation  
25      pursuant to paragraph (3), the provisions of sections 49 and



1 50 of title 15 of the United States Code are hereby made  
2 applicable to the jurisdiction, powers, and duties of the  
3 President.

4 “(5) Any person who willfully performs any act pro-  
5 hibited, or willfully fails to perform any act required by, any  
6 provision of this subsection or any rule, regulation, or order  
7 hereunder, whether heretofore or hereafter issued, shall be  
8 guilty of a misdemeanor, and shall, upon conviction, be fined  
9 not more than \$10,000 or imprisoned for not more than one  
10 year, or both.

11 “(6) The district courts of the United States and the  
12 United States courts of any Territory or other place subject  
13 to the jurisdiction of the United States and the courts of the  
14 Philippine Islands shall have jurisdiction of violations of this  
15 subsection or any rule, regulation, or order or subpoena here-  
16 under, whether heretofore or hereafter issued, and of all civil  
17 actions under this subsection to enforce any liability or duty  
18 created by, or to enjoin any violation of, this subsection or  
19 any rule, regulation, order, or subpoena hereunder. Any  
20 criminal proceeding on account of any such violation may be  
21 brought in any district in which any act, failure to act, or  
22 transaction constituting the violation occurred. Any such  
23 civil action may be brought in any such district or in the  
24 district in which the defendant resides or transacts business.  
25 Process in such cases, criminal or civil, may be served in any



1 district wherein the defendant resides or transacts business  
2 or wherever the defendant may be found; and subpoena for  
3 witnesses who are required to attend a court in any district  
4 in any such case may run into any other district. No costs  
5 shall be assessed against the United States in any proceeding  
6 under this subsection.

7 “(7) No person shall be held liable for damages or  
8 penalties for any default under any contract or order which  
9 shall result directly or indirectly from his compliance with  
10 this subsection or any rule, regulation, or order issued here-  
11 under, notwithstanding that any such rule, regulation, or  
12 order shall thereafter be declared by judicial or other com-  
13 petent authority to be invalid.

14 “(8) The President may exercise any power, authority,  
15 or discretion conferred on him by this subsection, through  
16 such department, agency, or officer of the Government as he  
17 may direct and in conformity with any rules or regulations  
18 which he may prescribe.”

19 TITLE IV—PURCHASE BY FEDERAL RESERVE  
20 BANKS OF GOVERNMENT OBLIGATIONS

21 SEC. 401. Section 14 of the act of December 23, 1913  
22 (38 Stat. 270), otherwise known as the Federal Reserve  
23 Act, as amended, is hereby amended by striking out of the  
24 proviso the words “but only in the open market”, so that  
25 the proviso will read as follows: “*Provided*, That any bonds,

1 notes, or other obligations which are direct obligations of the  
2 United States or which are fully guaranteed by the United  
3 States as to principal and interest may be bought and sold  
4 without regard to maturities.”

5 TITLE V—WAIVER OF NAVIGATION AND  
6 INSPECTION LAWS

7 SEC. 501. The Secretary of Commerce is directed to  
8 waive compliance with the navigation and vessel inspection  
9 laws upon the request of the Secretary of the Navy or the  
10 Secretary of War to the extent deemed necessary in the  
11 conduct of the war by the officer making the request. The  
12 Secretary of Commerce is authorized to waive compliance  
13 with the navigation and vessel inspection laws to such extent  
14 and in such manner and upon such terms as he may prescribe  
15 either upon his own initiative or upon the written recommen-  
16 dation of the head of any other Government agency whenever  
17 he deems that such action is necessary in the conduct of the  
18 war.

19 TITLE VI—POWER TO REQUISITION

20 SEC. 601. The last paragraph of section 1 of the Act of  
21 October 16, 1941 (55 Stat. 742), entitled “An Act to  
22 authorize the President of the United States to requisition  
23 property required for the defense of the United States”, is  
24 amended by deleting subdivision (3) thereof, so that the  
25 paragraph will read as follows:

1 “Nothing contained in this Act shall be construed—

2 “(1) to authorize the requisitioning or require the  
3 registration of any firearms possessed by an individual for  
4 his personal protection or sport (and the possession of  
5 which is not prohibited or the registration of which is not  
6 required by existing law),

7 “(2) to impair or infringe in any manner the right of  
8 any individual to keep and bear arms.”

## 9 TITLE VII—POLITICAL ACTIVITY

10 SEC. 701. Subsection (a) of section 9 of the Act of  
11 August 2, 1939 (53 Stat. 1148), entitled “An Act to  
12 prevent pernicious political activities”, is hereby amended by  
13 adding in the second sentence after the words “No officer or  
14 employee”, the words “except a part-time officer or employee  
15 without compensation or with nominal compensation”.

## 16 TITLE VIII—COMPENSATION FOR AIR RAID AND 17 FIRE WARDENS

18 SEC. 801. Section 40 of the Act of September 7, 1916  
19 (39 Stat. 750), entitled “An Act to provide compensation  
20 for employees of the United States suffering injuries while  
21 in the performance of their duties, and for other purposes”,  
22 as amended, is hereby amended by adding the following  
23 paragraph at the end thereof:

24 “The term ‘employee’ also includes air-raid wardens and  
25 fire wardens engaged in civilian defense, who have been

1 duly appointed as such by an officer or agent of the United  
2 States acting under lawful authority. In the event that any  
3 air-raid warden or fire warden so appointed renders his serv-  
4 ices on a voluntary basis or for compensation amounting to  
5 less than \$100 per month, for the purposes of computing  
6 the amount of compensation for death or disability, he shall  
7 be regarded as having received compensation for his services  
8 at the rate of \$100 per month: *Provided*, That no compen-  
9 sation shall be paid in respect to the death or disability of  
10 any air-raid warden or fire warden in any case coming within  
11 the purview of the workmen's compensation law of any  
12 State, Territory, or possession, or in which the claimant has  
13 received, or is entitled to receive similar benefits for injury  
14 or death."

15 TITLE IX—SHIPPING ON THE GREAT LAKES

16 SEC. 901. The Act of May 31, 1941 (55 Stat. 236),  
17 entitled "An Act authorizing vessels of Canadian registry  
18 to transport iron ore on the Great Lakes during 1941" is  
19 amended by striking out the words "during the 1941 season  
20 of navigation on the Great Lakes".

21 TITLE X—FREE POSTAGE FOR SOLDIERS,  
22 SAILORS, AND MARINES

23 SEC. 1001. Ordinary letters written and mailed by sol-  
24 diers, sailors, and marines assigned to duty outside of the  
25 continental United States may be mailed free of postage,

1 subject to such rules and regulations as may be prescribed  
2 by the Postmaster General.

3 TITLE XI—NATURALIZATION OF PERSONS SERV-  
4 ING IN THE ARMED FORCES OF THE UNITED  
5 STATES DURING THE PRESENT WAR

6 SEC. 1101. The Nationality Act of 1940 (54 Stat.  
7 1137), is hereby amended by adding thereto a new title as  
8 follows:

9 “TITLE III

10 “SEC. 701. Notwithstanding the provisions of sections  
11 303 and 326 of this Act, any person not a citizen, regard-  
12 less of age, who has served or hereafter serves honorably  
13 in the military or naval forces of the United States during  
14 the present war may be naturalized upon compliance with  
15 all the requirements of the naturalization laws except  
16 that (1) no declaration of intention and no certificate  
17 of arrival and no period of residence within the United  
18 States or any State shall be required; (2) the petition for  
19 naturalization may be filed in any court having naturaliza-  
20 tion jurisdiction regardless of the residence of the petitioner;  
21 (3) the petitioner shall not be required to speak the English  
22 language, sign his petition in his own handwriting, or meet  
23 any educational test; and (4) no fee shall be charged or  
24 collected for making, filing, or docketing the petition for  
25 naturalization, or for the final hearing thereon, or for the



1 certification of naturalization, if issued: *Provided, however,*  
2 That (1) there shall be included in the petition the affi-  
3 davits of at least two credible witnesses, citizens of the  
4 United States, stating that each such witness personally  
5 knows the petitioner to be a person of good moral character,  
6 attached to the principles of the Constitution of the United  
7 States, and well disposed to the good order and happiness of  
8 the United States, and (2) the service of the petitioner in the  
9 military or naval forces of the United States shall be proved  
10 by affidavits, forming part of the petition, of at least two citi-  
11 zens of the United States, members or former members during  
12 the present war of the military or naval forces of the non-  
13 commissioned or warrant officer grade or higher (who may  
14 be the witnesses described in clause (1) of this proviso),  
15 or by a duly authenticated copy of the record of the execu-  
16 tive department having custody of the record of petitioner's  
17 service, showing that the petitioner is or was during the  
18 present war a member serving honorably in such armed  
19 forces. The petitioner may be naturalized immediately if  
20 prior to the filing of the petition the petitioner and the wit-  
21 nesses required by the foregoing proviso shall have appeared  
22 before and been examined by a representative of the  
23 Immigration and Naturalization Service.

24 "SEC. 702. During the present war, any person entitled  
25 to naturalization under section 701 of this Act, who while

1 serving honorably in the military or naval forces of the United  
2 States is not within the jurisdiction of any court authorized  
3 to naturalize aliens, may be naturalized in accordance with  
4 all the applicable provisions of section 701 without appearing  
5 before a naturalization court. The petition for naturalization  
6 of any petitioner under this section shall be made and sworn  
7 to before, and filed with, a representative of the Immigration  
8 and Naturalization Service designated by the Commissioner  
9 or a Deputy Commissioner, which designated representative  
10 is hereby authorized to receive such petition in behalf of the  
11 Service, to conduct hearings thereon, to take testimony con-  
12 cerning any matter touching or in any way affecting the ad-  
13 missibility of any such petitioner for naturalization, to call  
14 witnesses, to administer oaths, including the oath of the peti-  
15 tioner and his witnesses to the petition for naturalization and  
16 the oath of renunciation and allegiance prescribed by section  
17 335 of this Act, and to grant naturalization.

18 “SEC. 703. The ninety days’ notice required by subsec-  
19 tion (b) of section 326 of this Act to be given by the clerk  
20 of the naturalization court to the Commissioner may be  
21 waived by the Commissioner in his discretion. In any peti-  
22 tion in which such notice is waived the Commissioner shall  
23 cause the clerk of court to be notified to that effect.

24 “SEC. 704. The provisions of this title shall not apply  
25 to (1) any person who during the present war is dishonor-

1 ably discharged from the military or naval forces or is dis-  
2 charged therefrom on account of his alienage, (2) any con-  
3 scientious objector who performed no military duty whatever  
4 or refused to wear the uniform, or (3) any person who is  
5 under charges by the military or naval authorities, or who  
6 has been convicted by a court martial and is under sentence  
7 of such court martial.

8 “SEC. 705. The Commissioner, with the approval of the  
9 Attorney General, shall prescribe and furnish such forms,  
10 and shall make such rules and regulations, as may be neces-  
11 sary to carry into effect the provisions of this Act.

12 “SEC. 706. This title shall take effect from the date of  
13 its approval.”

14 TITLE XII—ACCEPTANCE OF CONDITIONAL  
15 GIFTS TO FURTHER THE WAR PROGRAM

16 SEC. 1201. To further the war program of the United  
17 States, the Secretary of the Treasury is authorized to accept  
18 on behalf of the United States any gift of money or other  
19 property, real or personal, made on condition that it be used  
20 for a particular war purpose.

21 SEC. 1202. The Secretary of the Treasury may, as soon  
22 as practicable, convert into money, at the best terms avail-  
23 able, any such gift of property other than money.

24 SEC. 1203. There shall be established on the books of  
25 the Treasury a special deposit account to be designated as



1 the "War Contributions Fund", into which shall be deposited  
2 all money received as a result of such gifts.

3 SEC. 1204. The Secretary of the Treasury, in order to  
4 effectuate the purposes for which gifts accepted under this  
5 Act are made, shall from time to time allocate the money in  
6 such special deposit account to such of the various appropria-  
7 tions available for the purchase of war material and the fur-  
8 therance of the war program of the United States as in his  
9 judgment will best effectuate the intent of the donors, and  
10 such money is hereby appropriated and shall be available for  
11 expenditure for the purposes of the appropriations to which  
12 allocated.

13 SEC. 1205. The Secretary of the Treasury shall include  
14 in his Annual Report to the Congress a summary of the  
15 gifts made and accepted under this Act.

16 SEC. 1206. Whoever shall solicit any gift of money or  
17 other property, and represent that such gift is being solicited  
18 for the use of the United States, with the intention of embez-  
19 zling, stealing, or purloining such gift, or converting the  
20 same to any other use or purpose, or whoever, having  
21 come into possession of any money or property which has  
22 been donated by the owner thereof for the use of the United  
23 States, shall embezzle, steal, or purloin such money or prop-  
24 erty, or convert the same to any other use or purpose, shall  
25 be guilty of a felony and upon conviction thereof shall be

1 fined not more than \$5,000 or imprisoned for not more than  
2 five years, or both.

3 TITLE XIII—TIME LIMIT AND SHORT TITLE

4 SEC. 1301. Titles I to X, inclusive, and title XII of this  
5 Act shall remain in force only during the continuance of the  
6 present war and for six months after the termination of the  
7 war, or until such earlier time as the Congress by concur-  
8 rent resolution, or the President, may designate, but no court  
9 proceedings brought under any such title shall abate by rea-  
10 son of the termination hereunder of such title.

11 SEC. 1302. This Act may be cited as the "Second War  
12 Powers Act, 1942."



# A BILL

To further expedite the prosecution of the war.

By Mr. VAN NUTS

JANUARY 16, 1942

Read twice and referred to the Committee on the  
Judiciary





77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6403

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 1942

Mr. SUMNERS of Texas introduced the following bill; which was referred to the Committee on the Judiciary

---

## A BILL

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1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

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4       STATE COMMERCE COMMISSION OVER MOTOR  
5       CARRIERS

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1 and procedure, equivalent to the authority it has with respect  
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 3 have authority to make reasonable directions with respect to  
 4 equipment, service, and facilities of motor carriers, and to  
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 6 garages, and other facilities; and motor carriers shall be sub-  
 7 ject to the same penalties for failure to comply with action  
 8 taken by the Commission under this paragraph as other car-  
 9 riers for failure to comply with action taken by the Commis-  
 10 sion under section 1 (15) of part I.

11 “(f) Notwithstanding any other applicable provision of  
 12 this Act, to the extent that it may be in the public interest,  
 13 the Commission may modify, change, suspend, remove, or  
 14 waive any order, certificate, permit, license, rule, or regula-  
 15 tion issued under this part.”

16 SEC. 102. Subsection (a) of section 210a of said Act is  
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24 “SEC. 2. The Secretary of War, the Secretary of the  
 25 Navy, or any other officer, board, commission, or govern-

1 mental corporation thereto authorized by the President, may  
2 acquire by purchase, donation, or other means of transfer,  
3 or may cause proceedings to be instituted in any court having  
4 jurisdiction of such proceedings, to acquire by condemnation,  
5 any real property, temporary use thereof, or other interest  
6 therein, together with any personal property located thereon  
7 or used therewith, that shall be deemed necessary, for mili-  
8 tary, naval, or other war purposes, such proceedings to be  
9 in accordance with the Act of August 1, 1888 (25 Stat.  
10 357), and any other applicable Federal statute: *Provided*,  
11 That upon, or after the filing of the condemnation petition,  
12 immediate possession may be taken and the property may be  
13 occupied, used, and improved for the purposes of this Act,  
14 notwithstanding any other law. Property acquired by pur-  
15 chase, donation, or other means of transfer may be occupied,  
16 used, and improved, for the purposes of this section prior  
17 to the approval of title by the Attorney General as required  
18 by section 355 of the Revised Statutes, as amended.”

### 19 TITLE III—PRIORITIES POWERS

20 SEC. 301. Subsection (a) of section (2) of the Act  
21 of June 28, 1940 (54 Stat. 676), entitled “An Act to  
22 expedite national defense, and for other purposes”, as  
23 amended by the Act of May 31, 1941 (55 Stat. 236), is  
24 amended as follows:

25 (a) In paragraph (1) of said subsection (a), strike out

1 the words "this section" and the words "this subsection"  
2 wherever they appear, and substitute the words "this para-  
3 graph."

4 (b) Strike out paragraph (2) of said subsection and  
5 substitute a new paragraph (2) and add paragraphs (3)  
6 to (8), as follows:

7 "(2) Deliveries of material to which priority may be  
8 assigned pursuant to paragraph (1) shall include, in addition  
9 to deliveries of material under contracts or orders of the  
10 Army or Navy, deliveries of material under—

11 "(A) Contracts or orders for the government of any  
12 country whose defense the President deems vital to the  
13 defense of the United States under the terms of the Act  
14 of March 11, 1941, entitled 'An Act to promote the  
15 defense of the United States';

16 "(B) Contracts or orders which the President shall  
17 deem necessary or appropriate to promote the defense  
18 of the United States;

19 "(C) Subcontracts or suborders which the President  
20 shall deem necessary or appropriate to the fulfillment of  
21 any contract or order as specified in this subsection. De-  
22 liveries under any contract or order specified in this sub-  
23 section may be assigned priority over deliveries under  
24 any other contract or order; and the President may re-  
25 quire acceptance of any performance under such con-

1       tracts or orders in preference to other contracts or orders  
2       for the purpose of assuring such priority. Whenever the  
3       President is satisfied that the fulfillment of requirements  
4       for the defense of the United States will result in a short-  
5       age in the supply of any material or of any facilities for  
6       defense or for private account or for export, the President  
7       may allocate such material or facilities in such manner,  
8       upon such conditions and to such extent as he shall deem  
9       necessary or appropriate in the public interest and to  
10      promote the national defense.

11      “(3) The President shall be entitled to obtain such in-  
12      formation from, require such reports and the keeping of such  
13      records by, make such inspection of the books, records, and  
14      other writings, premises or property of, any person (which,  
15      for the purpose of this subsection, shall include any individual,  
16      partnership, association, business trust, corporation, or any  
17      organized group of persons, whether incorporated or not),  
18      and make such investigations, as may be necessary or appro-  
19      priate, in his discretion, to the enforcement or administration  
20      of the provisions of this subsection.

21      “(4) For the purpose of obtaining any information, veri-  
22      fying any report required, or making any investigation pur-  
23      suant to paragraph (3), the provisions of sections 49 and  
24      50 of title 15 of the United States Code are hereby made

1 applicable to the jurisdiction, powers, and duties of the  
2 President.

3 “(5) Any person who willfully performs any act pro-  
4 hibited, or willfully fails to perform any act required by, any  
5 provision of this subsection or any rule, regulation, or order  
6 hereunder, whether heretofore or hereafter issued, shall be  
7 guilty of a misdemeanor, and shall, upon conviction, be fined  
8 not more than \$10,000 or imprisoned for not more than one  
9 year, or both.

10 “(6) The district courts of the United States and the  
11 United States courts of any Territory or other place subject  
12 to the jurisdiction of the United States and the courts of  
13 the Philippine Islands shall have jurisdiction of violations of  
14 this subsection or any rule, regulation, or order or subpoena  
15 hereunder, whether heretofore or hereafter issued, and of all  
16 civil actions under this subsection to enforce any liability or  
17 duty created by, or to enjoin any violation of, this subsection  
18 or any rule, regulation, order, or subpoena hereunder. Any  
19 criminal proceeding on account of any such violation may  
20 be brought in any district in which any act, failure to act, or  
21 transaction constituting the violation occurred. Any such  
22 civil action may be brought in any such district or in the  
23 district in which the defendant resides or transacts business.  
24 Process in such cases, criminal or civil, may be served in any  
25 district wherein the defendant resides or transacts business or



1 wherever the defendant may be found; and subpoenas for  
2 witnesses who are required to attend a court in any district  
3 in any such case may run into any other district. No costs  
4 shall be assessed against the United States in any proceeding  
5 under this subsection.

6 “(7) No person shall be held liable for damages or  
7 penalties for any default under any contract or order which  
8 shall result directly or indirectly from his compliance with  
9 this subsection or any rule, regulation, or order issued here-  
10 under, notwithstanding that any such rule, regulation, or  
11 order shall thereafter be declared by judicial or other com-  
12 petent authority to be invalid.

13 “(8) The President may exercise any power, authority,  
14 or discretion conferred on him by this subsection, through  
15 such department, agency, or officer of the Government as  
16 he may direct and in conformity with any rules or regulations  
17 which he may prescribe.”

18 TITLE IV—PURCHASE BY FEDERAL RESERVE  
19 BANKS OF GOVERNMENT OBLIGATIONS

20 SEC. 401. Section 14 of the Act of December 23, 1913  
21 (38 Stat. 270), otherwise known as the Federal Reserve  
22 Act, as amended, is hereby amended by striking out of the  
23 proviso the words “but only in the open market”, so that  
24 the proviso will read as follows: “*Provided*, That any bonds,  
25 notes, or other obligations which are direct obligations of the

1 United States or which are fully guaranteed by the United  
2 States as to principal and interest may be bought and sold  
3 without regard to maturities.”

4 TITLE V—WAIVER OF NAVIGATION AND  
5 INSPECTION LAWS

6 SEC. 501. The Secretary of Commerce is directed to  
7 waive compliance with the navigation and vessel inspection  
8 laws upon the request of the Secretary of the Navy or the  
9 Secretary of War to the extent deemed necessary in the  
10 conduct of the war by the officer making the request. The  
11 Secretary of Commerce is authorized to waive compliance  
12 with the navigation and vessel inspection laws to such extent  
13 and in such manner and upon such terms as he may prescribe  
14 either upon his own initiative or upon the written recom-  
15 mendation of the head of any other Government agency  
16 whenever he deems that such action is necessary in the  
17 conduct of the war.

18 TITLE VI—POWER TO REQUISITION

19 SEC. 601. The last paragraph of section 1 of the Act of  
20 October 16, 1941 (55 Stat. 742), entitled “An Act to au-  
21 thorize the President of the United States to requisition  
22 property required for the defense of the United States”, is  
23 amended by deleting subdivision (3) thereof, so that the  
24 paragraph will read as follows:

25 “Nothing contained in this Act shall be construed—



“ (1) to authorize the requisitioning or require the registration of any firearms possessed by an individual for his personal protection or sport (and the possession of which is not prohibited or the registration of which is not required by existing law) ; and

“ (2) to impair or infringe in any manner the right of any individual to keep and bear arms.”

## TITLE VII—POLITICAL ACTIVITY

SEC. 701. Subsection (a) of section 9 of the Act of August 2, 1939 (53 Stat. 1148), entitled “An Act to prevent pernicious political activities”, is hereby amended by adding in the second sentence after the words “No officer or employee”, the words “except a part-time officer or employee without compensation or with nominal compensation.”

## TITLE VIII—COMPENSATION FOR AIR RAID AND FIRE WARDENS

SEC. 801. Section 40 of the Act of September 7, 1916 (39 Stat. 750), entitled “An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes”, as amended, is hereby amended by adding the following paragraph at the end thereof:

“The term ‘employee’ also includes air-raid wardens and fire wardens engaged in civilian defense, who have been duly appointed as such by an officer or agent of the United

1 States acting under lawful authority. In the event that any  
2 air-raïd warden or fire warden so appointed renders his  
3 services on a voluntary basis or for compensation amounting  
4 to less than \$100 per month, for the purposes of comput-  
5 ing the amount of compensation for death or disability, he  
6 shall be regarded as having received compensation for his  
7 services at the rate of \$100 per month: *Provided*, That no  
8 compensation shall be paid in respect to the death or dis-  
9 ability of any air-raïd warden or fire warden in any case  
10 coming within the purview of the workmen's compensation  
11 law of any State, Territory, or possession, or in which the  
12 claimant has received, or is entitled to receive similar  
13 benefits for injury or death."

14 TITLE IX—SHIPPING ON THE GREAT LAKES

15 SEC. 901. The Act of May 31, 1941 (55 Stat. 236),  
16 entitled "An Act authorizing vessels of Canadian registry to  
17 transport iron ore on the Great Lakes during 1941" is  
18 amended by striking out the words "during the 1941 season  
19 of navigation on the Great Lakes."

20 TITLE X—FREE POSTAGE FOR SOLDIERS,  
21 SAILORS, AND MARINES

22 SEC. 1001. Ordinary letters written and mailed by  
23 soldiers, sailors, and marines assigned to duty outside of the  
24 continental United States may be mailed free of postage,  
25 subject to such rules and regulations as may be prescribed  
26 by the Postmaster General.

1 TITLE XI—NATURALIZATION OF PERSONS SERV-  
2 ING IN THE ARMED FORCES OF THE UNITED  
3 STATES DURING THE PRESENT WAR

4 SEC. 1101. The Nationality Act of 1940 (54 Stat.  
5 1137) is hereby amended by adding thereto a new title as  
6 follows:

7 “TITLE III

8 “SEC. 701. Notwithstanding the provisions of sections  
9 303 and 326 of this Act, any person not a citizen, regardless  
10 of age, who has served or hereafter serves honorably in the  
11 military or naval forces of the United States during the  
12 present war may be naturalized upon compliance with all  
13 the requirements of the naturalization laws except that (1)  
14 no declaration of intention and no certificate of arrival and no  
15 period of residence within the United States or any State  
16 shall be required; (2) the petition for naturalization may be  
17 filed in any court having naturalization jurisdiction regardless  
18 of the residence of the petitioner; (3) the petitioner shall  
19 not be required to speak the English language, sign his  
20 petition in his own handwriting, or meet any educational  
21 test; and (4) no fee shall be charged or collected for making,  
22 filing, or docketing the petition for naturalization, or for the  
23 final hearing thereon, or for the certificate of naturalization,  
24 if issued: *Provided, however,* That (1) there shall be in-  
25 cluded in the petition the affidavits of at least two credible

1 witnesses, citizens of the United States, stating that each  
2 such witness personally knows the petitioner to be a person  
3 of good moral character, attached to the principles of the  
4 Constitution of the United States, and well disposed to the  
5 good order and happiness of the United States, and (2) the  
6 service of the petitioner in the military or naval forces of  
7 the United States shall be proved by affidavits, forming part  
8 of the petition, of at least two citizens of the United States,  
9 members or former members during the present war of the  
10 military or naval forces of the noncommissioned or warrant  
11 officer grade or higher (who may be the witnesses described  
12 in clause (1) of this proviso), or by a duly authenticated  
13 copy of the record of the executive department having custody  
14 of the record of petitioner's service, showing that the peti-  
15 tioner is or was during the present war a member serving  
16 honorably in such armed forces. The petitioner may be  
17 naturalized immediately if prior to the filing of the petition  
18 the petitioner and the witnesses required by the foregoing  
19 proviso shall have appeared before and been examined by a  
20 representative of the Immigration and Naturalization Service.

21 "SEC. 702. During the present war, any person entitled  
22 to naturalization under section 701 of this Act, who while  
23 serving honorably in the military or naval forces of the  
24 United States is not within the jurisdiction of any court  
25 authorized to naturalize aliens, may be naturalized in accord-

1   ance with all the applicable provisions of section 701 without  
2   appearing before a naturalization court. The petition for  
3   naturalization of any petitioner under this section shall be  
4   made and sworn to before, and filed with, a representative  
5   of the Immigration and Naturalization Service designated  
6   by the Commissioner or a Deputy Commissioner, which  
7   designated representative is hereby authorized to receive such  
8   petition in behalf of the Service, to conduct hearings thereon,  
9   to take testimony concerning any matter touching or in any  
10   way affecting the admissibility of any such petitioner for  
11   naturalization, to call witnesses, to administer oaths, including  
12   the oath of the petitioner and his witnesses to the peti-  
13   tion for naturalization and the oath of renunciation and  
14   allegiance prescribed by section 335 of this Act, and to  
15   grant naturalization.

16       “SEC. 703. The ninety days’ notice required by sub-  
17   section (b) of section 326 of this Act to be given by the  
18   clerk of the naturalization court to the Commissioner may be  
19   waived by the Commissioner in his discretion. In any peti-  
20   tion in which such notice is waived the Commissioner shall  
21   cause the clerk of court to be notified to that effect.

22       “SEC. 704. The provisions of this title shall not apply  
23   to (1) any person who during the present war is dishonor-  
24   ably discharged from the military or naval forces or is dis-  
25   charged therefrom on account of his alienage, (2) any con-



1 scientific objector who performed no military duty whatever  
2 or refused to wear the uniform or (3) any person who is  
3 under charges by the military or naval authorities, or who  
4 has been convicted by a court martial and is under sentence  
5 of such court martial.

6 “SEC. 705. The Commissioner, with the approval of  
7 the Attorney General, shall prescribe and furnish such forms,  
8 and shall make such rules and regulations, as may be neces-  
9 sary to carry into effect the provisions of this Act.

10 “SEC. 706. This title shall take effect from the date of  
11 its approval.”

12 TITLE XII—ACCEPTANCE OF CONDITIONAL  
13 GIFTS TO FURTHER THE WAR PROGRAM

14 SEC. 1201. To further the war program of the United  
15 States, the Secretary of the Treasury is authorized to accept  
16 on behalf of the United States any gift of money or other  
17 property, real or personal, made on condition that it be used  
18 for a particular war purpose.

19 SEC. 1202. The Secretary of the Treasury may, as soon  
20 as practicable, convert into money, at the best terms avail-  
21 able, any such gift of property other than money.

22 SEC. 1203. There shall be established on the books of  
23 the Treasury a special-deposit account to be designated as  
24 the “War Contributions Fund”, into which shall be deposited  
25 all money received as a result of such gifts.

1        SEC. 1204. The Secretary of the Treasury, in order to  
2 effectuate the purposes for which gifts accepted under this  
3 Act are made, shall from time to time allocate the money  
4 in such special-deposit account to such of the various appro-  
5 priations available for the purchase of war material and the  
6 furtherance of the war program of the United States as in his  
7 judgment will best effectuate the intent of the donors, and  
8 such money is hereby appropriated and shall be available for  
9 expenditure for the purposes of the appropriations to which  
10 allocated.

11        SEC. 1205. The Secretary of the Treasury shall include  
12 in his annual report to the Congress a summary of the gifts  
13 made and accepted under this Act.

14        SEC. 1206. Whoever shall solicit any gift of money or  
15 other property, and represent that such gift is being solicited  
16 for the use of the United States, with the intention of em-  
17 bezzling, stealing, or purloining such gift or converting the  
18 same to any other use or purpose, or whoever, having come  
19 into possession of any money or property which has been  
20 donated by the owner thereof for the use of the United States,  
21 shall embezzle, steal, or purloin such money or property or  
22 convert the same to any other use or purpose, shall be guilty  
23 of a felony and upon conviction thereof shall be fined not  
24 more than \$5,000 or imprisoned for not more than five years,  
25 or both.



1        TITLE XIII—TIME LIMIT AND SHORT TITLE

2        SEC. 1301. Titles I to X, inclusive, and title XII of this  
3 Act shall remain in force only during the continuance of the  
4 present war and for six months after the termination of the  
5 war, or until such earlier time as the Congress by concurrent  
6 resolution, or the President, may designate, but no court  
7 proceedings brought under any such title shall abate by reason  
8 of the termination hereunder of such title.

9        SEC. 1302. This Act may be cited as the "Second War  
10 Powers Act, 1942."



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# A BILL

To further expedite the prosecution of the war.

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By Mr. SUMNERS of Texas

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JANUARY 19, 1942

Referred to the Committee on the Judiciary





## FURTHER EXPEDITING THE PROSECUTION OF THE WAR EFFORT

JANUARY 22, 1942.—Ordered to be printed

Mr. O'MAHONEY, from the Committee on the Judiciary, submitted the following

### REPORT

[To accompany S. 2208]

The Committee on the Judiciary, to whom was referred the bill (S. 2208) to further expedite the prosecution of the war effort, after consideration thereof, report the same to the Senate favorably with the recommendation that it do pass.

This bill includes 14 substantive provisions. They are needed by the various agencies of the Government to facilitate the prosecution of the war. Many of the provisions had their counterparts in statutes enacted during the First World War. Others extend existing legislation to cover situations arising out of the present war. As a war emergency bill, all of its provisions, with minor exceptions, will expire not later than 6 months after the termination of the war.

The following amendments to S. 2208 as originally introduced were made by the committee:

Page 2, line 3, insert after the word "authority" " , to the extent necessary to facilitate the prosecution of the war,".

Page 2, line 13, strike out "remove,".

Page 3, line 10, strike out the colon following the word "statute" and also the letters "Pro" and on page 3, line 11 "vided, That upon" and insert the words "and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the Act of July 2, 1940 (54 Stat. 712). Upon".

Page 5, line 1, strike out the word "any" and substitute therefor the word "and".

Page 5, line 25, strike out "49" and substitute therefor "9".

Page 6, line 1, strike out the number "50" and substitute therefor the number "10".

Page 6, line 1, strike out the words "title 15 of the United States Code" and substitute therefor the words "the Act of September 26, 1914 (38 Stat. 722)."



Page 6, line 19, strike out the period after the word "hereunder" and add the words "whether heretofore or hereafter issued."

Page 7, line 21, strike out the word "section" and substitute therefor the words "subsection (b) of section."

Page 7, line 22, strike out the number "270" and insert in lieu thereof the number "265".

Page 9, line 14, insert after the word "or" the word "part-time".

Page 10, line 14, strike out the period and insert in lieu thereof a colon and the following:

*Provided further*, That the Commission, in providing compensation to air-raid wardens and fire wardens, may utilize the services of other governmental agencies and of State and local agencies and their employees.

Page 10, line 24, strike out the word "and" and insert after the word "marines" a comma and the words "and other military and naval personnel,".

Page 11, line 6, strike out the word "Nationality" and insert after the word "of" the words "October 14."

Page 11, line 7, insert after the comma the words "entitled 'An Act to revise and codify the nationality laws of the United States into a comprehensive nationality code.'"

Page 12, line 8, strike out, after the comma, the word "and."

Page 12, line 19, strike out the period and insert a comma and the words "and (3) the petition shall be filed not later than one year after the termination of the present war."

Page 13, line 17, strike out the period and insert in lieu thereof a comma and add the following:

and to issue certificates of citizenship: *Provided*, That the record of any proceedings hereunder together with a copy of the certificate of citizenship shall be forwarded to and filed by the Clerk of a Naturalization Court in the district in which the petitioner is a resident and be made a part of the record of the court.

Page 14, line 2, insert before "(2)" the word "or".

Page 14, line 4, strike out the comma after the word "uniform" and the remaining words of that line, and lines 5, 6, and 7, and substitute in lieu thereof a colon and the following:

*Provided*, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with section 338 of this Act.

Page 14, line 18, insert before the word "on" the words "or reject".

Page 14, line 19, insert after the word "personal" the words "or services,".

Page 14, line 21, strike out the comma after the word "may" and the words "as soon".

Page 14, line 22, strike out the words "as practicable,".

Page 16, insert between lines 2 and 3, the following:

#### TITLE XIII—COINAGE OF 5-CENT PIECES

SEC. 1301. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this Act and prior to December 31, 1946, to be one-half silver and one-half copper. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.

SEC. 1302. For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver

certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: *Provided*, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: *Provided further*, That the gain from the minor coinage provided for by this title shall be accounted for by entries in the minor coinage profit fund.

SEC. 1303. No silver-copper ingots shall be used for the minor coinage provided for by this title which differ from the legal standard by more than ten-thousandths. In adjusting the weight of such minor coins there shall be no greater deviation allowed than four grains for each piece.

SEC. 1304. For the purpose of section 3529 of the Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent pieces provided for by this title shall be deemed to be copper.

SEC. 1305. Upon redemption any 5-cent pieces coined in accordance with the provisions of this title shall after December 31, 1946, be allocated to the Director of the Mint for melting and for subsidiary silver coinage. Any 5-cent pieces coined in accordance with the provisions of this title but not issued by the Mint may after December 31, 1946, be allocated, in such amounts and at such times as the Secretary of the Treasury in his discretion may determine, to the Director of the Mint for melting and for subsidiary silver coinage. All 5-cent pieces allocated to the Director of the Mint in accordance with this section shall be accounted for by entries in the fund established for the purchase of silver bullion for subsidiary silver coinage. Upon coinage into subsidiary silver coins of the metal contained in the 5-cent pieces so allocated, the gain shall be accounted for by entries in the silver-profit fund.

SEC. 1306. This title shall become effective sixty days after approval.

#### TITLE XIV—INSPECTION AND AUDIT OF WAR CONTRACTORS

SEC. 1401. The provisions of section 10 (l) of an Act approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (l)) (giving the Government the right to inspect the plant and audit the books of certain contractors), shall apply to the plant and books of any contractor with whom a defense contract has been placed at any time after the declaration of emergency on September 8, 1939, and before the termination of the present war: *Provided*, That, for the purpose of this title, the term "defense contract" shall mean any contract, subcontract, or order placed in furtherance of the defense or war effort: *And provided further*, That the inspection and audit authorized herein, and the determination whether a given contract is a "defense contract" as defined above, shall be made by the agency placing such contract or order or the contract or order under which such subcontract was placed, or by the Chairman of the War Production Board.

SEC. 1402. The provisions of sections 9 and 10 of the Act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of any agency or of the Chairman of the War Production Board acting hereunder. Any person who shall, without just cause, fail or refuse to attend or testify or to comply with any order or subpoena issued under this title, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment of not more than one year, or both.

Page 16, line 3, strike out the number "XIII" and substitute in lieu thereof the number "XV".

Page 16, line 4, strike out "1301" and substitute in lieu thereof "1501".

Page 16, line 11, strike out "1302" and substitute in lieu thereof "1502".

#### I

Title I of the bill gives the Interstate Commerce Commission the same emergency powers with respect to motor carriers that it now has over the railroads. Motor carriers move a substantial portion of our traffic. In time of war and production for war, currents of traffic necessarily shift from their normal courses. Dangers of congestion and of delays in effecting deliveries of vital war materials may arise in unusual ways and unexpected places.

To minimize these dangers and to effect the most efficient possible motor-carrier service, this title grants the Commission the power to require that materials essential to the war effort be moved by motor carriers ahead of less essential materials. This title also grants the Commission general authority over the equipment, service, and facilities of motor carriers and the power to require the joint use of all motor carrier equipment and facilities.

This provision would not authorize the Commission to set aside State laws or regulations with respect to sizes and weights of motor carriers. It is not extended beyond directions necessary to facilitate the prosecution of the war.

## II

Title II of the bill, relating to the acquisition of real property, extends the War Purposes Act of 1917. That act applies only to the Secretary of War. Title II extends the War Purposes Act of 1917 to the Secretary of the Navy and any other officer or agency designated by the President. The principal utility of this title is that the Government may obtain immediate possession of property and dispose of such property for war purposes. The Navy Department, in particular, has as urgent need of this authority as the War Department for such items as shipways, etc.

In addition, certain provisions of the War Purposes Act of 1917 are unclear or too narrow in their scope. The proposed amendment is intended to clarify and fill out the provisions of the War Purposes Act.

1. The bill specifically provides that personal property located on or used with real property, which is acquired, may be taken in the same condemnation proceedings. The War Purposes Act of 1917 was unclear in this respect. Under this provision, such personal property may, of course, only be acquired as an incident to the purpose of acquiring real property. In addition, the bill covers interests in real property, including easements and other rights appurtenant thereto.

2. Improvements and occupancy can be effected on land acquired by purchase or other means without the prior approval of the title by the Attorney General. This is not so now. Section 355 of the Revised Statutes, as amended, now prohibits the expenditure of public money for the improvement of lands until the approval of the Attorney General has been obtained as to the validity of title. This bill would remove this time-consuming restriction.

## III

Title III of the bill is intended to clarify the scope of the priorities law and to provide adequate machinery for its enforcement.

The Attorney General presented to the committee the need for adequate machinery to enforce the priorities law. He reported that violations of priorities and allocations orders are widespread. He pointed out that there is a real need for penal provisions and the power to enjoin violations of priorities orders. Administrative sanctions, although highly important, do not provide a proper penalty in every case.

Other changes in the priorities law made by the proposed amendment and the reasons for them are as follows:



1. Production facilities, including tools and equipment, may be allocated by the President to get the greatest possible expedition in the conversion of civilian plants to war uses and to provide for the maximum use of the Nation's industrial plants. To carry out the production program effectively, it is necessary to have the power to require particular plants to take particular war orders.

2. The amendment expands the power of the President with respect to obtaining information and requiring reports by authorizing him to make such inspection of books, records, etc., and such investigation as he may deem necessary or appropriate to the enforcement or administration of the priorities system. This provision is limited to priorities administration and enforcement; title XIV deals with inspection and auditing to determine the costs of war contracts.

3. The amendment makes applicable the subpoena powers provided in the Federal Trade Commission Act (sections 49 and 50 of title 15 of the United States Code) to implement the informational powers granted.

4. The amendment vests criminal and civil jurisdiction for the enforcement of the priorities system in the district courts of the United States and in the Territorial courts.

5. The amendment extends the exemption from damages now contained in the present statute to cases where default results from compliance with a rule, regulation, or order which may thereafter be declared invalid.

#### IV

Title IV of the bill would revive powers formerly vested in the Federal Reserve banks so as to permit these banks to make direct purchases of Government securities, including those fully guaranteed by the Government, instead of having to purchase them in the open market.

Authority to make off-the-market purchases existed in the Federal Reserve banks prior to and during the last World War. It was continued and used only in connection with the purchase of short term Treasury obligations until 1935. At that time, this power, which had never been used extensively, was repealed.

The necessity of borrowing large sums to finance the war, may create disturbances in the money market which would seriously hamper the financing of the war unless the Federal Reserve banks are given the greater latitude proposed by this amendment. With the Government confronted with the necessity of borrowing unprecedentedly large sums to finance the war, it is impossible to foresee every emergency which may arise. In these circumstances, it is important to increase the ability of the Federal Reserve System to assist in maintaining a stable market for Government securities.

#### V

Title V of the bill relates to the waiver of navigation and inspection laws by the Secretary of Commerce where necessary for the prosecution of the war.

Soon after the attack on Pearl Harbor the President issued an Executive order authorizing the Secretary of Commerce to waive navigation and inspection laws. In issuing this order, the President

acted under his constitutional powers as Commander in Chief of the armed forces to prevent critical delays in the shipment of vital munitions. Although the President, and this committee, feel that there was adequate authority for this order, they are of the opinion that the situation should be clarified by legislation.

The movement of personnel and materials for the construction of the new bases and the movement of troops and munitions of war must not be hampered in any way. In many cases delays will necessarily occur if vessels engaged in such transportation are required to comply with all of the applicable peacetime provisions of the navigation and vessel inspection laws.

The proposed bill clarifies the powers of the Government to meet this situation. The Secretary of Commerce must waive compliance with any restrictive provisions when requested by the Army or Navy and he may do so in other cases where he finds that the action is necessary to the conduct of the war.

## VI

Title VI of the bill removes the prohibition in the present requisitioning law (act of October 16, 1941) against the seizure of machinery or equipment which is in actual use and necessary to the operation of a factory or business.

Since the enactment of the requisitioning law, instances have arisen where machinery or equipment needed for war production could not be obtained either because it was being used for civilian production or because it was being used only a few hours a day on Government production. At the committee hearings, specific examples of manufacturers withholding machinery from war production were given. It is imperative that the Government have the power to obtain such equipment and machinery where the owner refuses to use it for or sell it to the Government. It should be noted, however, that before the Government can requisition any property under the act of October 16, 1941, all other means of obtaining its use must be exhausted.

## VII

Title VII of the bill proposes to amend the Hatch Act by exempting from its provisions part-time officers and part-time employees who serve without compensation or with nominal compensation. The exemption does not apply to full-time employees of the Federal Government whether paid a salary, a dollar a year, or no compensation at all.

The Federal Government has need of the services of the many prominent and patriotic citizens who are glad to render their assistance without compensation or upon payment of a nominal sum in lieu of compensation. Outstanding examples of such citizens are the members of the local and appeal boards of the Selective Service System throughout the Nation, the members of the tire-rationing boards, special assistants to the Attorney General designated by the Department of Justice as hearing officers for conscientious-objector cases, and members of the enemy alien hearing boards created and established after the declaration of war.

The mutual desire of the Government and its patriotic citizens, who are often active in political life, that their services be accepted in this

emergency should not be hampered by the restrictions in existing law which would require such citizens, as a condition of the performance of valuable and voluntary services, to abstain from participation in the political life of their communities.

### VIII

Title VIII of this bill extends the benefits for death and disability provided by the Federal Employees' Compensation Act to duly appointed persons engaged in civilian defense. It provides that such persons shall be deemed, for this purpose, to be paid at a rate of not less than \$100 per month, since most services are rendered gratuitously and payments are based on the amount of compensation. This protective legislation is appropriate in view of the hazardous duties which are performed by air-raid wardens, auxiliary firemen, medical-rescue squads, and other branches of protective civilian defense in the warden service.

No State has, as yet, made provision for payments to civilian defense workers and many States are not in a position to make such provision for constitutional or other reasons. The responsibility of the Federal Government for payment of such benefits is clear. Civilian defense is an integral part of war activities.

### IX

Title IX of the bill extends, for the war emergency, the act of May 31, 1941, which authorizes vessels of Canadian registry to transport iron ore on the Great Lakes for the year 1941. That law was enacted because of the scarcity of shipping on the Great Lakes. As a result, in the year 1941, over 700,000 tons of iron ore were carried by Canadian vessels on the Great Lakes. The entry of this country into the war has made the shipping of iron ore a more vital matter than ever before. It is certain that shipping needs on the Great Lakes will be greater and not less for the remaining period of the war. An identical bill, S. 2204, has been approved by both Houses of the Congress and forwarded to the President for his approval. It is limited, however, to the year 1942. The proposed bill would terminate only after the conclusion of the war in accordance with title XV.

### X

Title X of the bill is patterned after the act of October 3, 1917, which provided free postage for our armed forces assigned to duty in a foreign country. The proposed bill includes soldiers, sailors, and marines, the entire military and naval personnel, regardless of rank, assigned to duty outside the continental United States.

### XI

Title XI of the bill provides that an alien honorably serving in our armed forces during the present war may acquire citizenship without regard to the normal qualifications of age, length of residence, and education. This provision also carries forward the policy of the United States during the last World War and provides appropriate and expeditious procedure for its administration. In order that such

aliens may have a short time after the war has ended to seek citizenship, the provisions of this title permit applications to be filed within 1 year after the war has terminated.

## XII

Title XII of the bill authorizes the Secretary of the Treasury to accept gifts of money, property, or services, whether such gifts are outright or conditional. These powers supplement those now vested in the Government to accept gifts of property or services. Title XII also prescribes the procedure for administering money or other property which is donated to the Government.

This bill is necessary to round out the authority of the Secretary of the Treasury to accept gifts because of provisions in existing law which preclude the acceptance of gifts conditioned upon a particular use. It is thought that acceptance of such gifts by the Government will make for a sense of participation in the war effort by the donors and to some extent lower the cost of prosecuting the war.

As a practical matter, it is impossible to take the money from each particular gift and use it for the purchase of a definite piece of war material. This bill would provide a practical way in which the requests of the donors of the conditional gifts can be effectuated. The money representing a conditional gift would be placed in a special deposit account and from there transferred and allocated to the appropriation available for the purchase of war material most similar to that for which the donor requested his gift to be expended.

## XIII

Title XIII is intended to conserve nickel and copper for vital war purposes. It eliminates the nickel and reduces the copper in the 5-cent piece. The current 5-cent piece is three-fourths copper and one-fourth nickel. The proposal changes the metallic content to 50 percent copper and 50 percent silver. In the manufacture of 5-cent pieces for the fiscal year 1941, there were used 870,000 pounds of nickel and 2,610,000 pounds of copper. At the same rate of production, the proposal would require the substitution of silver for 870,000 pounds of nickel and 870,000 pounds of copper annually. This change will thus save and make available for the war effort about 870,000 pounds of nickel and 870,000 pounds of copper. The new nickel will be the same size as the old and will be equally usable in telephones, vending machines, and other automatic devices.

The primary purpose of this substitution is to make available for the production of articles and commodities needed in the prosecution of the war the nickel and copper which would otherwise be used in coinage. There is a serious shortage of nickel—a metal essential in the manufacture of military material. Coinage of 5-cent pieces will effect a substantial saving of nickel, for the nickel in 5-cent pieces represents a substantial percentage of the annual civilian consumption of nickel. The diversion of copper will likewise aid the military effort, although the amount involved is proportionately much less significant.

The proposed bill specifies the silver to be used—silver bullion in the Treasury not held for the redemption of outstanding silver certificates. Such use would work an almost negligible depletion of the



vast quantity of such silver heretofore acquired and now held in the vaults of the mint institutions.

The Government would still retain a seigniorage profit of 1.2 cents per nickel, although this is substantially lower than the present seigniorage of 4.8 cents per nickel.

#### XIV

This title would permit appropriate governmental representatives to inspect the plants and the books of companies holding war contracts. At present this authority is limited to contractors producing airplanes and airplane parts. The present bill would cover the entire field of war contracts.

The authority provided in this bill will help to keep down the cost to the Government of munitions of war. By carefully examining the contractor's costs on articles he is producing, it will be possible to make contracts for further articles from the same or other contractors on the best possible terms for the Government.

#### XV

Title XV provides that with the exception of titles XI, XIII, and XIV, this act shall expire 6 months after the termination of the war or at such earlier time as the Congress may pass a concurrent resolution or the President may determine. The provisions of titles XI, XIII, and XIV are limited by their own terms and do not require a special termination date.

There is added hereto a letter from the General Counsel of the Office for Emergency Management transmitting a transcript showing the various acts with the proposed amendments carried in S. 2208.

EXECUTIVE OFFICE OF THE PRESIDENT,  
OFFICE FOR EMERGENCY MANAGEMENT,  
Washington, D. C.

HON. JOSEPH C. O'MAHONEY,  
United States Senate, Senate Office Building,  
Washington, D. C.

DEAR SENATOR O'MAHONEY: In accordance with our conversation of yesterday, I am enclosing a copy of the war powers bill as reported by the Senate Judiciary Committee showing the changes made by the bill in existing laws.

If we can be of further assistance do not hesitate to call upon us.

Sincerely yours,

OSCAR COX.

AN ACT To further expedite the prosecution of the war

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### TITLE I—EMERGENCY POWERS OF THE INTERSTATE COMMERCE COMMISSION OVER MOTOR CARRIERS

SECTION 101. Section 204 of the act of August 9, 1935 (49 Stat. 543), otherwise known as the Motor Carrier Act, 1935, as amended, is hereby amended by adding after subsection (d) thereof the following:

"(e) The commission shall have authority with respect to motor carriers, to be exercised under similar circumstances and procedure, equivalent to the authority it has with respect to other carriers under section 1 (15) of Part I, and shall have authority to the extent necessary to facilitate the prosecution of the war, to make reasonable directions with respect to equipment, service, and facilities of motor carriers, and to require the joint use of equipment, terminals, warehouses, garages, and other facilities; and motor carriers shall be subject to the same penalties for failure to comply with

action taken by the commission under this paragraph as other carriers for failure to comply with action taken by the commission under section 1 (15) of Part I.

"(f) Notwithstanding any other applicable provision of this act, to the extent that it may be in the public interest, the commission may modify, change, suspend, or waive any order, certificate, permit, license, rule, or regulation issued under this Part."

SEC. 102. Subsection (a) of section 210a of said act is hereby amended by striking out the words "but for not more than an aggregate of one hundred eighty days."

[(a) To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier or a contract carrier by motor vehicle, as the case may be. Such temporary authority, unless suspended or revoked for good cause, shall be valid for such time as the Commission shall specify ~~but for not more than an aggregate of one hundred and eighty days~~, and shall create no presumption that corresponding permanent authority will be granted thereafter.]

## TITLE II—ACQUISITION OF PROPERTY

SEC. 201. The act of July 2, 1917 (40 Stat. 241), entitled "An act to authorize condemnation proceedings of lands for military purposes," as amended, is hereby amended by adding at the end thereof the following section:

"SEC. 2. The Secretary of War, the Secretary of the Navy, or any other officer, board, commission, or governmental corporation thereto authorized by the President, may acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court having jurisdiction of such proceedings, to acquire by condemnation, any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that shall be deemed necessary, for military, naval, or other war purposes, such proceedings to be in accordance with the act of August 1, 1888 (25 Stat. 357), and any other applicable federal statute and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the Act of July 2, 1940 (54 Stat. 712). Upon or after the filing of the condemnation petition, immediate possession may be taken and the property may be occupied, used, and improved for the purposes of this Act, notwithstanding any other law. Property acquired by purchase, donation, or other means of transfer may be occupied, used, and improved, for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended."

## TITLE III—PRIORITIES POWERS

SECTION 301. Subsection (a) of Section (2) of the act of June 28, 1940 (54 Stat. 676), entitled "An act to expedite national defense, and for other purposes", as amended by the act of May 31, 1941 (55 Stat. 236), is amended as follows:

(a) In paragraph (1) of said subsection (a), strike the words "this section" and the words "this subsection" wherever they appear, and substitute the words "this paragraph".

[SEC. 2. (a) (1) That whenever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this ~~section~~ paragraph and all other naval contracts or orders and all Army contracts and orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every three months to the Congress the contracts entered into under the authority of this ~~section~~ paragraph: *Provided further*, That contracts negotiated pursuant to the provisions of this ~~section~~ paragraph shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided*

further, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the Act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this subsection paragraph to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy; *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this subsection paragraph, or any War Department contract entered into in the form of cost-plus-a-fixed-fee, shall not exceed 7 per centum of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).<sup>1</sup>

(b) Strike paragraph (2) of said subsection and substitute a new paragraph (2) and add paragraphs (3) to (8), as follows:

"(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

"(A) Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled 'An Act to promote the defense of the United States';

"(B) Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;

"(C) Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection. Deliveries under any contract or order specified in this subsection may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

"(3) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, and make such inspection of the books, records and other writings, premises or property of, any person firm or (which, for the purpose of this subsection, shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not), and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this subsection.

"(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the provisions of the Act of September 26, 1914 (38 Stat. 722),<sup>1</sup> are hereby made applicable to the jurisdiction, powers and duties of the President.

"(5) Any person who wilfully performs any act prohibited, or wilfully fails to perform any act required, by any provision of this subsection or any rule, regulation or order hereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than one year, or both.

"(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection or any rule, regulation, or order or subpoena hereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection to enforce any liability or duty created by, or to enjoin any violation of, this subsection or any rule, regulation, order or subpoena hereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant

<sup>1</sup> The text of these provisions is set forth on page 16 below.



*resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoenas for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection.*

*"(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from his compliance with the subsection or any rule, regulation, or order issued hereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.*

*"(8) The President may exercise any power, authority, or discretion conferred on him by this subsection, through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe."*

#### TITLE IV—PURCHASE BY FEDERAL RESERVE BANKS OF GOVERNMENT OBLIGATIONS

SECTION 401. Subsection (b) of section 14 of the act of December 23, 1913 (38 Stat. 270), otherwise known as the Federal Reserve Act, as amended, is hereby amended by striking out of the proviso the words "but only in the open market", so that the proviso will read as follows:

*"Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market."*

#### TITLE V—WAIVER OF NAVIGATION AND INSPECTION LAWS

SEC. 501. *The Secretary of Commerce is directed to waive compliance with the navigation and vessel inspection laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request. The Secretary of Commerce is authorized to waive compliance with the navigation and vessel inspection laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other government agency whenever he deems that such action is necessary in the conduct of the war.*

#### TITLE VI—POWER TO REQUISITION

SECTION 601. The last paragraph of section 1 of the act of October 16, 1941 (55 Stat. 742), entitled "An Act to authorize the President of the United States to requisition property required for the defense of the United States", is amended by deleting subdivision (3) thereof, so that the paragraph will read as follows:

*"Nothing contained in this Act shall be construed—*

*"(1) to authorize the requisitioning or require the registration of any firearms possessed by an individual for his personal protection or sport (and the possession of which is not prohibited or the registration of which is not required by existing law),*

*"(2) to impair or infringe in any manner the right of any individual to keep and bear arms.*

*"(3) to authorize the requisitioning of any machinery or equipment which is in actual use in connection with any operating factory or business and which is necessary to the operation of such factory or business."*

#### TITLE VII—POLITICAL ACTIVITY

SECTION 701. Subsection (a) of section 9 of the act of August 2, 1939 (53 Stat. 1148), entitled "An Act to prevent pernicious political activities," is hereby amended by adding in the second sentence after the words "No officer or employee," the words "except a part-time officer or part-time employee without compensation or with nominal compensation."

SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee *except a part-time officer or part-time employee without compensation or with nominal compensation* in the executive branch of the Federal Government, or any agency or department

thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects and candidates. For the purposes of this section the term "officer" or "employee" shall not be construed to include (1) the President and Vice President of the United States; (2) persons whose compensation is paid from the appropriation for the office of the President; (3) heads and assistant heads of executive departments; (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relation with foreign powers or in the Nation-wide administration of Federal laws.】

#### TITLE VIII—COMPENSATION FOR AIR RAID AND FIRE WARDENS

SECTION 801. Section 40 of the act of September 7, 1916 (39 Stat. 750), entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, is hereby amended by adding the following paragraph at the end thereof:

*"The term 'employee' also includes air raid wardens and fire wardens engaged in civilian defense, who have been duly appointed as such by an officer or agent of the United States acting under lawful authority. In the event that any air raid warden or fire warden so appointed renders his services on a voluntary basis or for compensation amounting to less than \$100 per month, for the purposes of computing the amount of compensation for death or disability, he shall be regarded as having received compensation for his services at the rate of \$100 per month: Provided, That no compensation shall be paid in respect to the death or disability of any air raid warden or fire warden in any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received, or is entitled to receive, similar benefits for injury or death: Provided further, That the Commission, in providing compensation to air raid wardens and fire wardens, may utilize the services of other governmental agencies and of State and local agencies and their employees."*

#### TITLE IX—SHIPPING ON THE GREAT LAKES

SECTION 901. The act of May 31, 1941 (55 Stat. 236), entitled "An Act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1941" is amended by striking out the words "during the 1941 season of navigation on the Great Lakes."

【That by reason of emergency conditions in transportation on the Great Lakes, notwithstanding the provisions of section 27 of the Act of Congress approved June 5, 1920 (41 Stat. 999), as amended by Act of Congress approved April 11, 1935 (49 Stat. 154), and by Act of Congress approved July 2, 1935 (49 Stat. 442), or the provisions of any other Act of Congress or regulation, vessels of Canadian registry shall be permitted to transport iron ore between United States ports on the Great Lakes during the 1941 season of navigation on the Great Lakes.】

#### TITLE X—FREE POSTAGE FOR SOLDIERS, SAILORS, AND MARINES

SECTION 1001. *Ordinary Letters written and mailed by soldiers, sailors, marines, and other military and naval personnel, assigned to duty outside of the continental United States may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.*

#### TITLE XI—NATURALIZATION OF PERSONS SERVING IN THE ARMED FORCES OF THE UNITED STATES DURING THE PRESENT WAR

SECTION 1101. The Act of October 14, 1940 (54 Stat. 1137), entitled "An Act to revise and codify the nationality laws of the United States into a comprehensive nationality code", is hereby amended by adding thereto a new title as follows:

##### "TITLE III

"SEC. 701. Notwithstanding the provisions of sections 303 and 326 of this Act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized upon compliance with all the requirements of the naturalization laws except that (1) no declaration of intention and no certificate of arrival and no period

of residence within the United States or any State shall be required; (2) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner; (3) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test; and (4) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certificate of naturalization, if issued: Provided, however, That (1) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States (2) the service of the petitioner in the military or naval forces of the United States shall be proved by affidavits, forming part of the petition, of at least two citizens of the United States, members or former members during the present war of the military or naval forces of the noncommissioned or warrant officer grade or higher (who may be the witnesses described in clause (1) of this proviso), or by a duly authenticated copy of the record of the executive department having custody of the record of petitioner's service, showing that the petitioner is or was during the present war a member serving honorably in such armed forces, and (3) the petition shall be filed not later than one year after the termination of the present war. The petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the witnesses required by the foregoing proviso shall have appeared before and been examined by a representative of the Immigration and Naturalization Service.

SEC. 702. During the present war, any person entitled to naturalization under section 701 of this Act, who while serving honorably in the military or naval forces of the United States is not within the jurisdiction of any court authorized to naturalize aliens, may be naturalized in accordance with all the applicable provisions of section 701 without appearing before a naturalization court. The petition for naturalization of any petitioner under this section shall be made and sworn to before, and filed with, a representative of the Immigration and Naturalization Service designated by the Commissioner or a Deputy Commissioner, which designated representative is hereby authorized to receive such petition in behalf of the Service, to conduct hearings thereon, to take testimony concerning any matter touching or in any way affecting the admissibility of any such petitioner for naturalization, to call witnesses, to administer oaths, including the oath of the petitioner and his witnesses to the petition for naturalization and the oath of renunciation and allegiance prescribed by section 335 of this Act, and to grant naturalization, and to issue certificate of citizenship: Provided, That the record of any proceeding hereunder, together with a copy of the certificate of citizenship, shall be forwarded to and filed by the clerk of a naturalization court in the district in which the petitioner is a resident and be made a part of the records of the court.

"Sec. 703. The ninety days' notice required by subsection (b) of section 326 of this Act to be given by the clerk of the naturalization court to the Commissioner may be waived by the Commissioner in his discretion. In any petition in which such notice is waived the Commissioner shall cause the clerk of court to be notified to that effect.

"Sec. 704. The provisions of this title shall not apply to (1) any person who during the present war is dishonorably discharged from the military or naval forces or is discharged therefrom on account of his alienage, or (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform: Provided, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with section 338 of this Act.

"Sec. 705. The Commissioner, with the approval of the Attorney General, shall prescribe and furnish such forms, and shall make such rules and regulations, as may be necessary to carry into effect the provisions of this Act.

"Sec. 706. This title shall take effect from the date of its approval."

## TITLE XII—ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER THE WAR PROGRAM

SECTION 1201. To further the war program of the United States, the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other property, real or personal, or services, made on condition that it be used for a particular war purpose.

SEC. 1202. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of property other than money.



*SEC. 1203.* There shall be established on the books of the Treasury a special deposit account to be designated as the "War Contributions Fund," into which shall be deposited all money received as a result of such gifts.

*SEC. 1204.* The Secretary of the Treasury, in order to effectuate the purposes for which gifts accepted under this Act are made, shall from time to time allocate the money in such special deposit account to such of the various appropriations available for the purchase of war material and the furtherance of the war program of the United States as in his judgment will best effectuate the intent of the donors, and such money is hereby appropriated and shall be available for expenditure for the purposes of the appropriations to which allocated.

*SEC. 1205.* The Secretary of the Treasury shall include in his Annual Report to the Congress a summary of the gifts made and accepted under this Act.

*SEC. 1206.* Whoever shall solicit any gift of money or other property, and represent that such gift is being solicited for the use of the United States, with the intention of embezzling, stealing or purloining such gift or converting the same to any other use or purpose, or whoever, having come into possession of any money or property which has been donated by the owner thereof for the use of the United States, shall embezzle, steal or purloin such money or property or convert the same to any other use or purpose, shall be guilty of a felony and upon conviction thereof shall be fined not more than \$5,000 or imprisoned for not more than five years, or both.

### TITLE XIII—COINAGE OF 5-CENT PIECES

*SECTION 1301.* Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this Act and prior to December 31, 1946, to be one-half silver and one-half copper. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.

*SEC. 1302.* For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: Provided, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: Provided further, That the gain from the minor coinage provided for by this title shall be accounted for by entries in the minor coinage profit fund.

*SEC. 1303.* No silver-copper ingots shall be used for the minor coinage provided for by this title which differ from the legal standard by more than ten-thousandths. In adjusting the weight of such minor coins there shall be no greater deviation allowed than four grains for each piece.

*SEC. 1304.* For the purpose of section 3529 of the Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent pieces provided for by this title shall be deemed to be copper.

*SEC. 1305.* Upon redemption any 5-cent pieces coined in accordance with the provisions of this title shall after December 31, 1946, be allocated to the Director of the Mint for melting and for subsidiary silver coinage. Any 5-cent pieces coined in accordance with the provisions of this title but not issued by the Mint may after December 31, 1946, be allocated, in such amounts and at such times as the Secretary of the Treasury in his discretion may determine, to the Director of the Mint for melting and for subsidiary silver coinage. All 5-cent pieces allocated to the Director of the Mint in accordance with this section shall be accounted for by entries in the fund established for the purchase of silver bullion for subsidiary silver coinage. Upon coinage into subsidiary silver coins of the metal contained in the 5-cent pieces so allocated, the gain shall be accounted for by entries in the silver-profit fund.

*SEC. 1306.* This title shall become effective sixty days after approval.

### TITLE XIV—INSPECTION AND AUDIT OF WAR CONTRACTORS

*SECTION 1401.* The provisions of section 10 (l) of an Act approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (l)) (giving the Government the right to inspect the plant and audit the books of certain Contractors), shall apply to the plant and books of any contractor with whom a defense contract has been placed at any time after the declaration of emergency on September 8, 1939, and before the termination of the present war: Provided, That, for the purpose of this title, the term "defense contract" shall mean any contract, subcontract, or order placed in furtherance of the defense or war effort:

*And provided further, That the inspection and audit authorized herein, and the determination whether a given contract is a "defense contract" as defined above, shall be made by the agency placing such contract or order or the contract or order under which such subcontract was placed, or by the Chairman of the War Production Board.*

Section 10 (l) of the Act of July 2, 1926, reads as follows:

["The manufacturing plant, and books, of any contractor for furnishing or constructing aircraft, aircraft parts, or aeronautical accessories, for the War Department or the Navy Department, or such part of any manufacturing plant as may be so engaged, shall at all times be subject to inspection and audit by any person designated by the head of any executive department of the Government."]

SEC. 1402. *The provisions of sections 9 and 10 of the Act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of any agency or of the Chairman of the War Production Board acting hereunder. Any person who shall, without just cause, fail or refuse to attend or testify or to comply with any order or subpoena issued under this title, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment of not more than one year, or both.*

Sections 9 and 10 of the Act of September 26, 1914, read as follows:

SEC. 9. That for the purposes of this Act the commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may sign subpoenas, and members and examiners of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

["Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpoena the commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence.

["Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

["Upon the application of the Attorney General of the United States, at the request of the commission, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any person or corporation to comply with the provisions of this Act or any order of the commission made in pursuance thereof.

["The commission may order testimony to be taken by deposition in any proceeding or investigation pending under this Act at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the commission as hereinbefore provided.

["Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

["No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

["Sec. 10. That any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpoena or lawful requirement of the commission, shall be guilty of an offense and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than \$1,000 nor more than \$5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

["Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this Act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this Act, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of such corporation, or who shall willfully remove out of the jurisdiction of the United States, or willfully mutilate, alter, or by any other means falsify any documentary evidence of such corporation, or who shall willfully refuse to submit to the commission or to any of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

["If any corporation required by this Act to file any annual or special report shall fail so to do within the time fixed by the commission for filing the same, and such failure shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of \$100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeitures. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

["Any officer or employee of the commission who shall make public any information obtained by the commission without its authority, unless directed by a court, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding one year, or by fine and imprisonment, in the discretion of the court."]

#### TITLE XV—TIME LIMIT AND SHORT TITLE

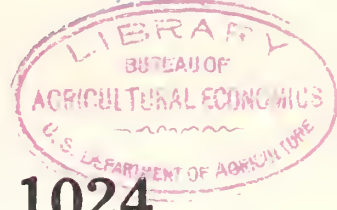
*SECTION 1501. Titles I to X, inclusive, and title XII of this Act shall remain in force only during the continuance of the present war and for six months after the termination of the war, or until such earlier time as the Congress by concurrent resolution, or the President, may designate, but no court proceedings brought under any such title shall abate by reason of the termination hereunder of such title.*

SEC. 1502. This Act may be cited as the "Second War Powers Act, 1912."









Calendar No. 1024

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2208**

[Report No. 989]

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IN THE SENATE OF THE UNITED STATES

JANUARY 16, 1942

Mr. VAN NUYS introduced the following bill; which was read twice and referred to the Committee on the Judiciary

JANUARY 22, 1942

Reported by Mr. O'MAHONEY, with amendments

[Omit the part struck through and insert the part printed in italic]

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**A BILL**

To further expedite the prosecution of the war.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*

3     **TITLE I—EMERGENCY POWERS OF THE INTER-**  
4     **STATE COMMERCE COMMISSION OVER MOTOR**  
5     **CARRIERS**

6     SEC. 101. Section 204 of the act of August 9, 1935  
7     (49 Stat. 543), otherwise known as the Motor Carrier  
8     Act, 1935, as amended, is hereby amended by adding  
9     after subsection (d) thereof the following:

10     “(e) The Commission shall have authority with respect  
11     to motor carriers, to be exercised under similar circumstances

1 and procedure, equivalent to the authority it has with re-  
 2 spect to other carriers under section 1 (15) of part I, and  
 3 shall have authority, *to the extent necessary to facilitate the*  
 4 *prosecution of the war*, to make reasonable directions with re-  
 5 spect to equipment, service, and facilities of motor carriers,  
 6 and to require the joint use of equipment, terminals, ware-  
 7 houses, garages, and other facilities; and motor carriers  
 8 shall be subject to the same penalties for failure to comply  
 9 with action taken by the Commission under this paragraph  
 10 as other carriers for failure to comply with action taken by  
 11 the Commission under section 1 (15) of part I.

12 “(f) Notwithstanding any other applicable provision of  
 13 this Act, to the extent that it may be in the public interest,  
 14 the Commission may modify, change, suspend,~~remove~~, or  
 15 waive any order, certificate, permit, license, rule, or regula-  
 16 tion issued under this part.”

17 SEC. 102. Subsection (a) of section 210a of said Act is  
 18 hereby amended by striking out the words “but for not more  
 19 than an aggregate of one hundred and eighty days.”

## 20 TITLE II—ACQUISITION OF PROPERTY

21 SEC. 201. The Act of July 2, 1917 (40 Stat. 241),  
 22 entitled “An Act to authorize condemnation proceedings of  
 23 lands for military purposes”, as amended, is hereby amended  
 24 by adding at the end thereof the following section:

25 “SEC. 2. The Secretary of War, the Secretary of the  
 26 Navy, or any other officer, board, commission, or govern-



1 mental corporation thereto authorized by the President, may  
 2 acquire by purchase, donation, or other means of transfer,  
 3 or may cause proceedings to be instituted in any court hav-  
 4 ing jurisdiction of such proceedings, to acquire by condemna-  
 5 tion, any real property, temporary use thereof, or other  
 6 interest therein, together with any personal property located  
 7 thereon or used therewith, that shall be deemed necessary,  
 8 for military, naval, or other war purposes, such proceedings  
 9 to be in accordance with the Act of August 1, 1888 (25  
 10 Stat. 357), and any other applicable Federal statute: *Pro-*  
 11 *vided, That upon, and may dispose of such property or inter-*  
 12 *est therein by sale, lease, or otherwise, in accordance with*  
 13 *section 1 (b) of the Act of July 2, 1940 (54 Stat. 712).*  
 14 *Upon* or after the filing of the condemnation petition, im-  
 15 mediate possession may be taken and the property may  
 16 be occupied, used, and improved for the purposes of this  
 17 Act, notwithstanding any other law. Property acquired  
 18 by purchase, donation, or other means of transfer may  
 19 be occupied, used, and improved, for the purposes of this  
 20 section prior to the approval of title by the Attorney General  
 21 as required by section 355 of the Revised Statutes, as  
 22 amended.”

### 23 TITLE III—PRIORITIES POWERS

24 SEC. 301. Subsection (a) of section (2) of the Act  
 25 of June 28, 1940 (54 Stat. 676), entitled “An Act to

1 expedite national defense, and for other purposes", as  
2 amended by the Act of May 31, 1941 (55 Stat. 236), is  
3 amended as follows:

4 (a) In paragraph (1) of said subsection (a), strike  
5 out the words "this section" and the words "this subsec-  
6 tion" wherever they appear, and substitute the words "this  
7 paragraph".

8 (b) Strike out paragraph (2) of said subsection and  
9 substitute a new paragraph (2) and add paragraphs (3)  
10 to (8), as follows:

11 "(2) Deliveries of material to which priority may be  
12 assigned pursuant to paragraph (1) shall include, in addi-  
13 tion to deliveries of material under contracts or orders of  
14 the Army or Navy, deliveries of material under—

15 "(A) Contracts or orders for the government of  
16 any country whose defense the President deems vital  
17 to the defense of the United States under the terms of  
18 the Act of March 11, 1941, entitled 'An Act to pro-  
19 mote the defense of the United States';

20 "(B) Contracts or orders which the President shall  
21 deem necessary or appropriate to promote the defense  
22 of the United States;

23 "(C) Subcontracts or suborders which the Presi-  
24 dent shall deem necessary or appropriate to the fulfill-  
25 ment of any contract or order as specified in this sub-

1 section. Deliveries under any contract or order specified  
2 in this subsection may be assigned priority over deliv-  
3 eries under any other contract or order; and the Presi-  
4 dent may require acceptance of ~~any~~ *and* performance  
5 under such contracts or orders in preference to other con-  
6 tracts or orders for the purpose of assuring such priority.  
7 Whenever the President is satisfied that the fulfillment  
8 of requirements for the defense of the United States will  
9 result in a shortage in the supply of any material or of  
10 any facilities for defense or for private account or for  
11 export, the President may allocate such material or  
12 facilities in such manner, upon such conditions and to  
13 such extent as he shall deem necessary or appropriate  
14 in the public interest and to promote the national  
15 defense.

16 “(3) The President shall be entitled to obtain such in-  
17 formation from, require such reports and the keeping of such  
18 records by, make such inspection of the books, records, and  
19 other writings, premises or property of, any person (which,  
20 for the purpose of this subsection, shall include any individual,  
21 partnership, association, business trust, corporation, or any  
22 organized group of persons, whether incorporated or not),  
23 and make such investigations, as may be necessary or ap-  
24 propriate, in his discretion, to the enforcement or administra-  
25 tion of the provisions of this subsection.

1       “(4) For the purpose of obtaining any information,  
 2 verifying any report required, or making any investigation  
 3 pursuant to paragraph (3), the provisions of sections ~~49~~ 9  
 4 and ~~50~~ 10 of title ~~15~~ of the United States Code *the Act of*  
 5 *September 26, 1914 (38 Stat. 722)*, are hereby made ap-  
 6 plicable to the jurisdiction, powers, and duties of the  
 7 President.

8       “(5) Any person who willfully performs any act pro-  
 9 hibited, or willfully fails to perform any act required by, any  
 10 provision of this subsection or any rule, regulation, or order  
 11 hereunder, whether heretofore or hereafter issued, shall be  
 12 guilty of a misdemeanor, and shall, upon conviction, be fined  
 13 not more than \$10,000 or imprisoned for not more than one  
 14 year, or both.

15       “(6) The district courts of the United States and the  
 16 United States courts of any Territory or other place subject  
 17 to the jurisdiction of the United States and the courts of the  
 18 Philippine Islands shall have jurisdiction of violations of this  
 19 subsection or any rule, regulation, or order or subpoena here-  
 20 under, whether heretofore or hereafter issued, and of all civil  
 21 actions under this subsection to enforce any liability or duty  
 22 created by, or to enjoin any violation of, this sub-  
 23 section or any rule, regulation, order, or subpoena here-  
 24 under *whether heretofore or hereafter issued*. Any crim-

1 inal proceeding on account of any such violation may be  
2 brought in any district in which any act, failure to act, or  
3 transaction constituting the violation occurred. Any such  
4 civil action may be brought in any such district or in the  
5 district in which the defendant resides or transacts business.  
6 Process in such cases, criminal or civil, may be served in any  
7 district wherein the defendant resides or transacts business  
8 or wherever the defendant may be found; and subpoena for  
9 witnesses who are required to attend a court in any district  
10 in any such case may run into any other district. No costs  
11 shall be assessed against the United States in any proceeding  
12 under this subsection.

13 “(7) No person shall be held liable for damages or  
14 penalties for any default under any contract or order which  
15 shall result directly or indirectly from his compliance with  
16 this subsection or any rule, regulation, or order issued here-  
17 under, notwithstanding that any such rule, regulation, or  
18 order shall thereafter be declared by judicial or other com-  
19 petent authority to be invalid.

20 “(8) The President may exercise any power, authority,  
21 or discretion conferred on him by this subsection, through  
22 such department, agency, or officer of the Government as he  
23 may direct and in conformity with any rules or regulations  
24 which he may prescribe.”



1 TITLE IV—PURCHASE BY FEDERAL RESERVE  
2 BANKS OF GOVERNMENT OBLIGATIONS

3 SEC. 401. *Subsection (b) of Section* ~~section~~ 14 of the  
4 act of December 23, 1913 (38 Stat. ~~270~~ 265), otherwise  
5 known as the Federal Reserve Act, as amended, is hereby  
6 amended by striking out of the proviso the words “but only  
7 in the open market”, so that the proviso will read as follows:  
8 “*Provided*, That any bonds, notes, or other obligations  
9 which are direct obligations of the United States or which  
10 are fully guaranteed by the United States as to principal and  
11 interest may be bought and sold without regard to maturities.”

12 TITLE V—WAIVER OF NAVIGATION AND  
13 INSPECTION LAWS

14 SEC. 501. The Secretary of Commerce is directed to  
15 waive compliance with the navigation and vessel inspection  
16 laws upon the request of the Secretary of the Navy or the  
17 Secretary of War to the extent deemed necessary in the  
18 conduct of the war by the officer making the request. The  
19 Secretary of Commerce is authorized to waive compliance  
20 with the navigation and vessel inspection laws to such extent  
21 and in such manner and upon such terms as he may prescribe  
22 either upon his own initiative or upon the written recommen-  
23 dation of the head of any other Government agency whenever  
24 he deems that such action is necessary in the conduct of the  
25 war.



## TITLE VI—POWER TO REQUISITION

SEC. 601. The last paragraph of section 1 of the Act of October 16, 1941 (55 Stat. 742), entitled "An Act to authorize the President of the United States to requisition property required for the defense of the United States", is amended by deleting subdivision (3) thereof, so that the paragraph will read as follows:

"Nothing contained in this Act shall be construed—

"(1) to authorize the requisitioning or require the registration of any firearms possessed by an individual for his personal protection or sport (and the possession of which is not prohibited or the registration of which is not required by existing law),

"(2) to impair or infringe in any manner the right of any individual to keep and bear arms."

## TITLE VII—POLITICAL ACTIVITY

SEC. 701. Subsection (a) of section 9 of the Act of August 2, 1939 (53 Stat. 1148), entitled "An Act to prevent pernicious political activities", is hereby amended by adding in the second sentence after the words "No officer or employee", the words "except a part-time officer or *part-time* employee without compensation or with nominal compensation".

1 TITLE VIII—COMPENSATION FOR AIR RAID AND  
2 FIRE WARDENS

3 SEC. 801. Section 40 of the Act of September 7, 1916  
4 (39 Stat. 750), entitled "An Act to provide compensation  
5 for employees of the United States suffering injuries while  
6 in the performance of their duties, and for other purposes",  
7 as amended, is hereby amended by adding the following  
8 paragraph at the end thereof:

9 "The term 'employee' also includes air-raid wardens and  
10 fire wardens engaged in civilian defense, who have been  
11 duly appointed as such by an officer or agent of the United  
12 States acting under lawful authority. In the event that any  
13 air-raid warden or fire warden so appointed renders his serv-  
14 ices on a voluntary basis or for compensation amounting to  
15 less than \$100 per month, for the purposes of computing  
16 the amount of compensation for death or disability, he shall  
17 be regarded as having received compensation for his services  
18 at the rate of \$100 per month: *Provided*, That no compen-  
19 sation shall be paid in respect to the death or disability of  
20 any air-raid warden or fire warden in any case coming within  
21 the purview of the workmen's compensation law of any  
22 State, Territory, or possession, or in which the claimant has  
23 received, or is entitled to receive similar benefits for injury  
24 or death: *Provided further*, That the Commission, in pro-

1 *viding compensation to air-raid wardens and fire wardens,*  
 2 *may utilize the services of other governmental agencies and*  
 3 *of State and local agencies and their employees.”*

#### 4 TITLE IX—SHIPPING ON THE GREAT LAKES

5 SEC. 901. The Act of May 31, 1941 (55 Stat. 236),  
 6 entitled “An Act authorizing vessels of Canadian registry  
 7 to transport iron ore on the Great Lakes during 1941” is  
 8 amended by striking out the words “during the 1941 season  
 9 of navigation on the Great Lakes”.

#### 10 TITLE X—FREE POSTAGE FOR SOLDIERS, 11 SAILORS, AND MARINES

12 SEC. 1001. Ordinary letters written and mailed by sol-  
 13 diers, sailors, ~~and~~ marines, *and other military and naval*  
 14 *personnel*, assigned to duty outside of the continental United  
 15 States may be mailed free of postage, subject to such rules  
 16 and regulations as may be prescribed by the Postmaster  
 17 General.

#### 18 TITLE XI—NATURALIZATION OF PERSONS SERV- 19 ING IN THE ARMED FORCES OF THE UNITED 20 STATES DURING THE PRESENT WAR

21 SEC. 1101. The ~~Nationality~~ Act of *October 14*, 1940  
 22 (54 Stat. 1137), entitled “*An Act to revise and codify the*  
 23 *nationality laws of the United States into a comprehensive*  
 24 *nationality code*”, is hereby amended by adding thereto a  
 25 new title as follows:

## "TITLE III

1  
2 "SEC. 701. Notwithstanding the provisions of sections  
3 303 and 326 of this Act, any person not a citizen, regard-  
4 less of age, who has served or hereafter serves honorably  
5 in the military or naval forces of the United States during  
6 the present war may be naturalized upon compliance with  
7 all the requirements of the naturalization laws except  
8 that (1) no declaration of intention and no certificate  
9 of arrival and no period of residence within the United  
10 States or any State shall be required; (2) the petition for  
11 naturalization may be filed in any court having naturaliza-  
12 tion jurisdiction regardless of the residence of the petitioner;  
13 (3) the petitioner shall not be required to speak the English  
14 language, sign his petition in his own handwriting, or meet  
15 any educational test; and (4) no fee shall be charged or  
16 collected for making, filing, or docketing the petition for  
17 naturalization, or for the final hearing thereon, or for the  
18 certification of naturalization, if issued: *Provided, however,*  
19 That (1) there shall be included in the petition the affi-  
20 davits of at least two credible witnesses, citizens of the  
21 United States, stating that each such witness personally  
22 knows the petitioner to be a person of good moral character,  
23 attached to the principles of the Constitution of the United  
24 States, and well disposed to the good order and happiness of  
25 the United States, and (2) the service of the petitioner in the

1 military or naval forces of the United States shall be proved  
2 by affidavits, forming part of the petition, of at least two citi-  
3 zens of the United States, members or former members during  
4 the present war of the military or naval forces of the non-  
5 commissioned or warrant officer grade or higher (who may  
6 be the witnesses described in clause (1) of this proviso),  
7 or by a duly authenticated copy of the record of the execu-  
8 tive department having custody of the record of petitioner's  
9 service, showing that the petitioner is or was during the  
10 present war a member serving honorably in such armed  
11 forces, *and (3) the petition shall be filed not later than one*  
12 *year after the termination of the present war.* The petitioner  
13 may be naturalized immediately if prior to the filing of the  
14 petition the petitioner and the witnesses required by the fore-  
15 going proviso shall have appeared before and been examined  
16 by a representative of the Immigration and Naturalization  
17 Service.

18 "SEC. 702. During the present war, any person entitled  
19 to naturalization under section 701 of this Act, who while  
20 serving honorably in the military or naval forces of the United  
21 States is not within the jurisdiction of any court authorized  
22 to naturalize aliens, may be naturalized in accordance with  
23 all the applicable provisions of section 701 without appearing  
24 before a naturalization court. The petition for naturalization  
25 of any petitioner under this section shall be made and sworn



1 to before, and filed with, a representative of the Immigration  
2 and Naturalization Service designated by the Commissioner  
3 or a Deputy Commissioner, which designated representative  
4 is hereby authorized to receive such petition in behalf of the  
5 Service, to conduct hearings thereon, to take testimony con-  
6 cerning any matter touching or in any way affecting the ad-  
7 missibility of any such petitioner for naturalization, to call  
8 witnesses, to administer oaths, including the oath of the peti-  
9 tioner and his witnesses to the petition for naturalization and  
10 the oath of renunciation and allegiance prescribed by section  
11 335 of this Act, and to grant naturalization, *and to issue*  
12 *certificates of citizenship: Provided, That the record of any*  
13 *proceedings hereunder together with a copy of the certificate*  
14 *of citizenship shall be forwarded to and filed by the clerk of*  
15 *a naturalization court in the district in which the petitioner*  
16 *is a resident and be made a part of the record of the court.*

17 "SEC. 703. The ninety days' notice required by subsec-  
18 tion (b) of section 326 of this Act to be given by the clerk  
19 of the naturalization court to the Commissioner may be  
20 waived by the Commissioner in his discretion. In any peti-  
21 tion in which such notice is waived the Commissioner shall  
22 cause the clerk of court to be notified to that effect.

23 "SEC. 704. The provisions of this title shall not apply  
24 to (1) any person who during the present war is dishonor-  
25 ably discharged from the military or naval forces or is dis-

1 charged therefrom on account of his alienage, *or* (2) any con-  
 2 scientious objector who performed no military duty whatever  
 3 or refused to wear the uniform,—~~or (3) any person who is~~  
 4 ~~under charges by the military or naval authorities, or who~~  
 5 ~~has been convicted by a court martial and is under sentence~~  
 6 ~~of such court martial:~~ *Provided, That citizenship granted*  
 7 *pursuant to this title may be revoked as to any person sub-*  
 8 *sequently dishonorably discharged from the military or naval*  
 9 *forces in accordance with Section 338 of this Act.*

10 “SEC. 705. The Commissioner, with the approval of the  
 11 Attorney General, shall prescribe and furnish such forms,  
 12 and shall make such rules and regulations, as may be neces-  
 13 sary to carry into effect the provisions of this Act.

14 “SEC. 706. This title shall take effect from the date of  
 15 its approval.”

## 16 TITLE XII—ACCEPTANCE OF CONDITIONAL 17 GIFTS TO FURTHER THE WAR PROGRAM

18 SEC. 1201. To further the war program of the United  
 19 States, the Secretary of the Treasury is authorized to accept  
 20 *or reject* on behalf of the United States any gift of money or  
 21 other property, real or personal, *or services*, made on con-  
 22 dition that it be used for a particular war purpose.

23 SEC. 1202. The Secretary of the Treasury may,—~~as soon~~  
 24 ~~as practicable~~, convert into money, at the best terms avail-  
 25 able, any such gift of property other than money.

1        SEC. 1203. There shall be established on the books of  
2 the Treasury a special deposit account to be designated as  
3 the "War Contributions Fund", into which shall be deposited  
4 all money received as a result of such gifts.

5        SEC. 1204. The Secretary of the Treasury, in order to  
6 effectuate the purposes for which gifts accepted under this  
7 Act are made, shall from time to time allocate the money in  
8 such special deposit account to such of the various appropria-  
9 tions available for the purchase of war material and the fur-  
10 therance of the war program of the United States as in his  
11 judgment will best effectuate the intent of the donors, and  
12 such money is hereby appropriated and shall be available for  
13 expenditure for the purposes of the appropriations to which  
14 allocated.

15        SEC. 1205. The Secretary of the Treasury shall include  
16 in his Annual Report to the Congress a summary of the gifts  
17 made and accepted under this Act.

18        SEC. 1206. Whoever shall solicit any gift of money or  
19 other property, and represent that such gift is being solicited  
20 for the use of the United States, with the intention of embez-  
21 zling, stealing, or purloining such gift, or converting the  
22 same to any other use or purpose, or whoever, having  
23 come into possession of any money or property which has  
24 been donated by the owner thereof for the use of the United  
25 States, shall embezzle, steal, or purloin such money or prop-

erty, or convert the same to any other use or purpose, shall be guilty of a felony and upon conviction thereof shall be fined not more than \$5,000 or imprisoned for not more than five years, or both.

### *TITLE XIII—COINAGE OF 5-CENT PIECES*

*SEC. 1301. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this Act and prior to December 31, 1946, to be one-half silver and one-half copper. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.*

*SEC. 1302. For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: Provided, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: Provided further, That the gain*

1 from the minor coinage provided for by this title shall be  
2 accounted for by entries in the minor coinage profit fund.

3       *SEC. 1303. No silver-copper ingots shall be used for the*  
4 *minor coinage provided for by this title which differ from*  
5 *the legal standard by more than ten-thousandths. In adjust-*  
6 *ing the weight of such minor coins there shall be no greater*  
7 *deviation allowed than four grains for each piece.*

8       *SEC. 1304. For the purpose of section 3529 of the*  
9 *Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent*  
10 *pieces provided for by this title shall be deemed to be copper.*

11       *SEC. 1305. Upon redemption any 5-cent pieces coined*  
12 *in accordance with the provisions of this title shall after*  
13 *December 31, 1946, be allocated to the Director of the Mint*  
14 *for melting and for subsidiary silver coinage. Any 5-cent*  
15 *pieces coined in accordance with the provisions of this title*  
16 *but not issued by the Mint may after December 31, 1946, be*  
17 *allocated, in such amounts and at such times as the Secretary*  
18 *of the Treasury in his discretion may determine, to the Direc-*  
19 *tor of the Mint for melting and for subsidiary silver coinage.*  
20 *All 5-cent pieces allocated to the Director of the Mint in*  
21 *accordance with this section shall be accounted for by entries*  
22 *in the fund established for the purchase of silver bullion for*  
23 *subsidiary silver coinage. Upon coinage into subsidiary*  
24 *silver coins of the metal contained in the 5-cent pieces so*



1 allocated, the gain shall be accounted for by entries in the  
2 silver-profit fund.

3 SEC. 1306. This title shall become effective sixty days  
4 after approval.

5 TITLE XIV—INSPECTION AND AUDIT OF WAR  
6 CONTRACTORS

7 SEC. 1401. The provisions of section 10 (l) of an Act  
8 approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (l))  
9 (giving the Government the right to inspect the plant and  
10 audit the books of certain Contractors), shall apply to the  
11 plant and books of any contractor with whom a defense con-  
12 tract has been placed at any time after the declaration of  
13 emergency on September 8, 1939, and before the termination  
14 of the present war: Provided, That, for the purpose of this  
15 title, the term "defense contract" shall mean any contract,  
16 subcontract, or order placed in furtherance of the defense or  
17 war effort: And provided further, That the inspection and  
18 audit authorized herein, and the determination whether a  
19 given contract is a "defense contract" as defined above, shall  
20 be made by the agency placing such contract or order or the  
21 contract or order under which such subcontract was placed,  
22 or by the Chairman of the War Production Board.

23 SEC. 1402. The provisions of sections 9 and 10 of the  
24 Act of September 26, 1914 (38 Stat. 722), are hereby

1 *made applicable to the jurisdiction, powers, and duties*  
 2 *of any agency or of the Chairman of the War Production*  
 3 *Board acting hereunder. Any person who shall, without just*  
 4 *cause, fail or refuse to attend or testify or to comply with any*  
 5 *order or subpoena issued under this title, shall be guilty of a*  
 6 *misdemeanor and upon conviction shall be subject to a fine*  
 7 *of not less than \$1,000 nor more than \$5,000, or to impris-*  
 8 *onment of not more than one year, or both.*

9 **TITLE ~~XIII~~ XV—TIME LIMIT AND SHORT TITLE**

10       **SEC. ~~1301~~ 1501.** Titles I to X, inclusive, and title XII  
 11 of this Act shall remain in force only during the continuance  
 12 of the present war and for six months after the termination  
 13 of the war, or until such earlier time as the Congress by  
 14 concurrent resolution, or the President, may designate, but  
 15 no court proceedings brought under any such title shall abate  
 16 by reason of the termination hereunder of such title.

17       **SEC. ~~1302~~ 1502.** This Act may be cited as the “Second  
 18 War Powers Act, 1942.”



77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

S. 2208

[Report No. 989]

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# A BILL

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To further expedite the prosecution of the war.

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By Mr. VAN NUYS

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JANUARY 16, 1942

Read twice and referred to the Committee on the  
Judiciary

JANUARY 22, 1942

Reported with amendments

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2208

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IN THE SENATE OF THE UNITED STATES

JANUARY 22, 1942

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. TRUMAN to the bill (S. 2208)  
to further expedite the prosecution of the war, viz:

- 1       On page 9 strike out all of title VII from line 9 to
- 2 line 15.

1-22-42—A



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## AMENDMENT

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Intended to be proposed by Mr. TRUMAN to the bill (S. 2208) to further expedite the prosecution of the war.

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JANUARY 22, 1942

Ordered to lie on the table and to be printed





# S. 2208

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IN THE SENATE OF THE UNITED STATES

JANUARY 24 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. McNARY to the bill (S. 2208)  
to further expedite the prosecution of the war, viz: At the  
proper place in the bill add a new title:

1 PROTECTION OF WAR INDUSTRIES SUBJECT TO SEASONAL  
2 HAZARDS OF FOREST FIRES

3 The President is empowered to direct the Administrator  
4 of the Federal Security Agency to assign the manpower of  
5 the Civilian Conservation Corps to the extent necessary to  
6 protect the munitions, aircraft, and other war industries,  
7 municipal water supply, power and other utilities and re-  
8 sources subject to the hazards of forest fires, and to enroll  
9 for such purposes, within available appropriations, manpower  
10 not qualified under the Selective Service Act.

## AMENDMENT

Intended to be proposed by Mr. McNARY to the bill (S. 2208) to further expedite the prosecution of the war.

JANUARY 24 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed







**S. 2208**

IN THE SENATE OF THE UNITED STATES

JANUARY 26 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

**AMENDMENT**

Intended to be proposed by Mr. BROOKS to the bill (S. 2208) to further expedite the prosecution of the war, viz: On page 11, amend title 10 (Free Postage for Soldiers, Sailors, and Marines, section 1001), by substituting the following amendment:

1 Ordinary letters written and mailed by soldiers, sailors,  
2 marines, and other military and naval personnel assigned to  
3 duty in the United States and outside the continental United  
4 States may be mailed free of postage subject to such rules  
5 and regulations as may be prescribed by the Postmaster  
6 General. Letter paper and postage-free envelopes shall be  
7 kept on hand and supplied to such soldiers, sailors, marines,  
8 and other personnel free of charge in military post offices.

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# AMENDMENT

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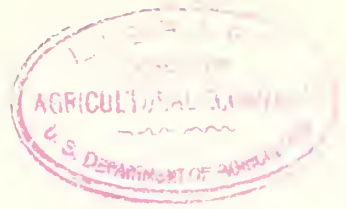
Intended to be proposed by Mr. Brooks to the bill (S. 2208) to further expedite the prosecution of the war.

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JANUARY 26 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

# S. 2208



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## IN THE SENATE OF THE UNITED STATES

JANUARY 26 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. CLARK of Missouri to the bill  
(S. 2208) to further expedite the prosecution of the war,  
viz:

- 1       On page 20, lines 11, 12, and 13, strike out the follow-
- 2   ing: "during the continuance of the present war and for
- 3   six months after the termination of the war" and insert in
- 4   lieu thereof "until January 31, 1944".

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## AMENDMENT

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Intended to be proposed by Mr. Clark of Missouri to the bill (S. 2208) to further expedite the prosecution of the war.

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JANUARY 26 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

**S. 2208**

*Shaw*



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IN THE SENATE OF THE UNITED STATES

JANUARY 26 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

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**AMENDMENT**

Intended to be proposed by Mr. MURDOCK to the bill (S. 2208)  
to further expedite the prosecution of the war, viz:

- 1       On page 20, lines 13 and 14, strike out "such earlier  
2 time as the Congress by concurrent resolution, or the Presi-  
3 dent, may designate", and insert in lieu thereof "June 30,  
4 1945, whichever is earlier".



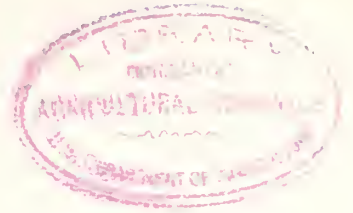
## AMENDMENT

Intended to be proposed by Mr. MURDOCK to the bill (S. 2208) to further expedite the prosecution of the war.

JANUARY 26 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

**S. 2208**



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IN THE SENATE OF THE UNITED STATES

JANUARY 26 (legislative day, JANUARY 23), 1942

Ordered to lie on the table and to be printed

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**AMENDMENT**

Intended to be proposed by Mr. TAFT to the bill (S. 2208) to further expedite the prosecution of the war, viz:

- 1 On page 8, strike out lines 1 to 11, inclusive, and refer
- 2 the matter involved therein to the Committee on Banking
- 3 and Currency to originate such legislation relating thereto
- 4 as it deems advisable.

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## AMENDMENT

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Intended to be proposed by Mr. Tarr to the bill  
(S. 2208) to further expedite the prosecution of the war.

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JANUARY 26 (legislative day, JANUARY 23), 1942  
Ordered to lie on the table and to be printed

publisher, the place of publication, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. LEE (for himself, Mr. THOMAS of Oklahoma, and Mrs. CARAWAY):

S. 2226. A bill to provide for the improvement of navigation, control of floods, and promotion of the national defense through the development and conservation of the resources of the drainage basins of the Arkansas, White, Ouachita, and St. Francis Rivers, and for other purposes; to the Committee on Agriculture and Forestry

By Mr. WALLGREN:

S. 2227. A bill to assure conservation of and to permit the fullest utilization of the fisheries of Alaska, and for other purposes; to the Committee on Commerce.

#### EXTENSION OF WAR POWERS— AMENDMENTS

Mr. TAFT, Mr. BROOKS, Mr. MURDOCK, and Mr. CLARK of Missouri each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 2208) to further expedite the prosecution of the war, which were severally ordered to lie on the table and to be printed.

#### DISPOSITION OF CERTAIN SECURITIES HELD BY THE SECRETARY OF THE TREASURY

[Mr. BROWN asked and obtained leave to have reprinted in the RECORD the proceedings of the Senate in connection with House bill 3330, printed on p. 551 of the RECORD of January 22, 1942, so as to include a letter omitted from the RECORD at that point, and embodying minor corrections. The matter appears in the Appendix.]

#### ADDRESS BY SENATOR AIKEN BEFORE VERMONT DAIRYMEN'S ASSOCIATION

[Mr. BANKHEAD asked and obtained leave to have printed in the RECORD an address delivered by Senator AIKEN before the Vermont Dairymen's Association at Burlington, Vt., on January 15, 1942, which appears in the Appendix.]

#### WORK OF RIO DE JANEIRO CONFERENCE— ADDRESS BY HON. SUMNER WELLES

[Mr. BARKLEY asked and obtain leave to have printed in the RECORD the text of the speech delivered by Hon. Sumner Welles, Under Secretary of State, over the radio from Rio de Janeiro, Brazil, published in the New York Times of January 25, 1942, which appears in the Appendix.]

#### ADDRESS BY ASSISTANT SECRETARY OF THE TREASURY JOHN L. SULLIVAN AT DINNER IN HONOR OF GENERAL ASSEMBLY OF VIRGINIA

[Mr. BYRD asked and obtained leave to have printed in the RECORD an address delivered by Hon. John L. Sullivan, Assistant Secretary of the Treasury, before a dinner given in honor of the General Assembly of Virginia, at Richmond, Va., on January 19, 1942, which appears in the Appendix.]

#### SYNTHETIC RUBBER—ARTICLE BY PAUL W. WARD

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article by Paul W. Ward relative to the synthetic-rubber situation, published in the Baltimore Sun of Sunday, January 25, 1942, which appears in the Appendix.]

#### UNITED AIRCRAFT CORPORATION—ARTI- CLE FROM THE HARTFORD COURANT

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article from the Hartford Courant of January 23, 1942, containing a statement by Eugene E. Wilson,

president of the United Aircraft Corporation, which appears in the Appendix.]

#### UNITED AIRCRAFT CORPORATION—EDI- TORIAL FROM THE HARTFORD TIMES

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an editorial from the Hartford Times of January 23, 1942, relative to the United Aircraft Corporation, which appears in the Appendix.]

#### ADDITIONAL SERVICE SCHOOLS FOR ARMY AND NAVY

[Mr. BILBO asked and obtained leave to have printed in the RECORD an editorial from the Washington Times-Herald of today relative to the proposed establishment of four additional service schools for the Army and Navy, which appears in the Appendix.]

#### IDEAS WILL WIN—EDITORIAL FROM CHRISTIAN SCIENCE MONITOR

[Mr. ROSIER asked and obtained leave to have printed in the RECORD an editorial from the Christian Science Monitor of January 24, 1942, entitled "Ideas Will Win," which appears in the Appendix.]

#### MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 902. An act granting an increase of pension to Elizabeth Painter Menoher;

H. R. 3330. An act to authorize the sale, exchange, or other disposition of certain securities held by the Secretary of the Treasury;

H. R. 4849. An act to provide for regulating, inspecting, cleaning, and, when necessary, disinfecting railway cars, other vehicles, and other materials entering the United States from Mexico;

H. R. 5171. An act to amend section 392 of the Agricultural Adjustment Act of 1938, as amended, so as to provide for separate appropriation accounts for administrative expenses of the Agricultural Adjustment Administration, so as to modify the 1 and 2 percent limitations on administrative expenses and to provide over-all limitations in lieu thereof, and for other purposes;

H. R. 6220. An act to amend section 3 of the Subsistence Expense Act of 1926, as amended; and

H. R. 6304. An act authorizing appropriations for the United States Navy, additional shipbuilding and ship-repair facilities, and for other purposes.

#### COL. ARTHUR R. WILSON

Mr. TRUMAN. Mr. President, at a meeting this morning of the Special Committee Investigating the National Defense Activities Program, the Senator from Maine [Mr. BREWSTER] submitted to the committee a resolution commending Col. Arthur R. Wilson, who has been liaison officer between the committee and the War Department, and it was unanimously adopted by the committee. I should like to have the resolution printed in the RECORD as part of my remarks.

The VICE PRESIDENT. Without objection, the resolution will be printed in the RECORD.

The resolution is as follows:

Whereas Col. Arthur R. Wilson has served as liaison officer between the War Department and the Special Senate Committee Investigating Defense Activities under the chairmanship of Senator HARRY S. TRUMAN, of Missouri; and

Whereas a great number of difficult and delicate problems have necessarily been presented; and

Whereas Colonel Wilson is now to go to a new assignment: Now, therefore, be it

Resolved, That this committee formally records its appreciation of the devotion with which Colonel Wilson has performed his often exacting duties, and the industry and fidelity with which all requests of the committee have been performed; and be it further

Resolved, That a copy of this commendation be sent to the Secretary of War.

#### SHORT-WAVE BROADCASTS AS A WAR WEAPON

Mr. THOMAS of Utah. Mr. President, since the first radio short-wave talk which I delivered to the Japanese people went forth a number of Senators have asked me about the talk and the reason for its being delivered. The reason is that in total war the country should use every agency at its disposal in its effort to save life, shorten the war, and accomplish our military objectives. I felt that when the proper time came I should like to explain, as well as I could, what was being done in regard to short-wave broadcasts.

Since today is the anniversary of General MacArthur's birth, and since in the remarks I intend to make there will be a compliment to General MacArthur's ingenuity and ability, I think this date is a fitting time for my making this statement.

Lately an editorial appeared in the St. Louis Globe-Democrat which I wish to read to the Senate:

A short-wave radio offensive against Axis propagandists in the Far East is being conducted in eight languages—in English, Spanish, French, Dutch, Chinese, Japanese, Tagalog (the native Philippine language), and Thai—news and information are being disseminated on a 17-hour daily schedule by KGEI in San Francisco. It is the only short-wave in this country west of the Mississippi.

A few weeks ago a Tokyo short-wave station broke into a broadcast from KGEI with the announcement that Japanese bombers had caused great damage in San Francisco. Probably there is nothing they would desire more than an air raid that would silence this station, which continues to broadcast information and deny false reports circulated by the enemy.

Doubtless one of the most remarkable incidents in this radio offensive was an address delivered some days ago by Senator THOMAS of Utah. Addressing the Japanese people in their own language, he warned them that they were heading toward ultimate disaster by fighting the United States, and that their early victories would be followed by defeats from which they would never recover.

Station attachés of KGEI are probably right in their opinion that many Japanese heard this speech and other messages from San Francisco. Before the war, KGEI had many listeners in Japan.

The short wave may prove an important factor in the war, both in Europe and in Asia. Through this means, and by pamphlets dropped from airplanes the United States can reply to Axis propaganda and reports of accomplishments on land or sea which are not based on fact. It can deny that American cities have been bombed when they have not been bombed.

There is not and never will be any need for this country to imitate our enemies by broadcasting untruths. A short-wave offensive is no substitute for bombs on Japanese warships and cities. It is an excellent corrective for enemy propaganda, however, and it is a means of telling the Japanese people that



war with the United States is a bigger undertaking than their leaders would have them believe.

Mr. President, I wish to express my agreement with the writer of this editorial regarding the value of our short-wave offensive. I have been glad to contribute to it, as far as I could, by messages which have been broadcast both to the Japanese and the Chinese people. I know what others are doing likewise. In the last few weeks my colleague the senior Senator from Georgia [Mr. GEORGE], and such men as Rear Admiral Yarnell; Maj. George Fielding Eliot; Delegate Samuel W. King, Resident Commissioner Joaquin M. Elizalde; Chinese Ambassador Hu Shih; Chairman Fly, of the Federal Communications Commission, and others have sent special messages by way of station KGEI to the people of Japan and of China.

To my knowledge, none of the Axis Nations has yet used this new technique of a barrage of personal special messages addressed to the people of the nations at war—messages which carry weight because they are authoritative, and because they come from the heart. It may be true that an enemy nation such as Japan may prevent most of its citizens from hearing these messages, but even an audience of one makes it worth while.

It is not only the Far East to which American short-wave messages are being sent. Our short-wave stations are continuously flashing through the ether news and messages that blanket Europe, Latin America, Africa, and the rest of the world. In Singapore and in Berlin, in Chungking and in Buenos Aires, the people of the world are hearing the facts about the United States and the war.

One of the most striking uses of the short-wave offensive is going on in the Philippine Islands, under the direction of Gen. Douglas MacArthur. I am informed by the War Department that General MacArthur has set up a powerful radio station somewhere in the territory under his control, and is now giving the Filipinos news direct from the United States. Both the armed forces, American and Filipino, and the civilian population are receiving a complete news service through the cooperation of the Navy Department.

When the Japanese occupied Manila, they captured the principal radio and newspaper facilities of the islands, and, except for short-wave radio, the Filipinos had no way of getting American news. One of the first steps taken by the Japanese was to forbid use of radio sets. But a good many sets are still in use. The Japanese concentrated on seizing the more powerful sets which could receive short-wave broadcasts. They could not confiscate ordinary sets without destroying the effect of their own propaganda broadcasts. Then General MacArthur stepped in, and, with typical Yankee ingenuity, succeeded in establishing his own radio station, which rebroadcasts American programs in long wave all over the Philippines.

How effective this is we can judge by the magnificent loyalty and fighting spirit of the Filipino people. There can be no doubt that the radio programs help

to maintain their courage and confidence in the face of the disasters of the moment. The recent revelation of the Japanese orders to put to death Filipinos found guilty of any of a long list of actions by civilians in opposition to Japanese rule indicates what a seething mass of rebellion the Japanese are finding.

The imagination and resourcefulness of General MacArthur are well illustrated by the establishment of the radio station. A high military official of the Government has given me other information regarding the Philippine campaign and General MacArthur's brilliant defense, which I think should be known.

To understand what is happening in the Philippines, it is necessary to go back to the summer and fall of 1941, when the Japanese cries of encirclement were keyed to a frenzied pitch for the American-Japanese negotiations at Washington. According to the Japanese spokesman, the ABCD powers were concentrating large striking forces ready to pounce upon Japan from all points of the compass. The absurdity of these claims is seen in the true light of events. Everyone knows now that the encirclement was carried out by Japan. Her prepared bases in Indochina, Hainan, Formosa, and in the mandated islands closed in the Philippines on three sides, isolated Hongkong, and wedged toward separating the Netherlands East Indies from Malaya. The concentrated striking forces were brazenly shown to the world by the coordinated and viciously executed Japanese attacks in all directions, beginning December 7. No further proof of intentions is needed than the treacherous blow at Honolulu, set in motion weeks before, and delivered while Japan's special envoy uttered his protestations for peace to the President of the United States.

What are the facts? Neither the Chinese nor Dutch forces in the Pacific were equipped for offensive movements. British areas were inadequately prepared for defense. The Philippines were in the midst of strengthening their forces, and were unprepared to meet any major attack.

Seldom in all history has a military leader faced such insuperable odds as have confronted General MacArthur. Never has a commander or his troops met such a situation with greater and cooler courage; never with more resourceful or brilliant action. Man for man and gun for gun the United States troops have proved their superiority over the Japanese. The raw Filipino recruits, hastily organized, became veterans after a week of hard fighting and stood their ground in a most admirable way. Acts of daring heroism and individual initiative are beyond count.

The strategy of General MacArthur in employing his forces to the best advantage has been brilliant. When the Japanese pincers closed they found Manila, but they did not catch any of our forces. On Batan General MacArthur has established his holding positions, which are most advantageous from a military point of view. Batan controls his last avenue of retreat to the strongly defended island of Corregidor. This island base denies

the use of Manila Bay and Harbor and may be held for weeks or months.

Little known but highly important actions have been taking place also on the other islands of the Philippines. Units of Philippine Scouts, elements of Philippine regiments, and native guerrilla fighters are operating on the various islands to the great discomfort of the Japanese.

Thus as we send our prayers and our messages to General MacArthur and his forces, as well as to all the Philippine people, we can be proud that the traditions of our Nation in courage, in ingenuity, in brilliant strategy, are being carried on in 1942 and will be carried on until victory has been achieved.

#### EXTENSION OF WAR POWERS

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed consideration of the bill (S. 2208) to further expedite the prosecution of the war.

Mr. O'MAHONEY. Mr. President, this bill has been unanimously and favorably reported by the Judiciary Committee. Although it seems rather bulky, I feel confident Members of the Senate will agree with the committee that there is nothing controversial in the measure, and that it contains various extensions of power which are necessary in connection with the war effort.

I shall briefly summarize the contents of the measure. First, let me say that a special committee on war legislation has been created in the executive departments. It is composed of representatives of the Department of Justice, of the Bureau of the Budget, and of the Office for Emergency Management. Various executive departments and commissions which feel that there should be extensions or changes in the law in order to facilitate the prosecution of the war, make their suggestions to this special committee. The suggestions, having been subjected to analysis by the special committee, are then embodied in a bill, which in this case, and in the case of the first War Powers Act, were presented to the Senate Judiciary Committee for consideration.

There are many instances of desirable extensions of power which will suggest themselves to Members of the Senate, as for example, the authority which should be given to the Government to take over patents. Several members of the Judiciary Committee raised this question during the hearing. They felt it was highly necessary and most important that the executive branch of the Government be given power to take complete authority over all patents. This matter, however, is now under study, and I am informed will be presented at an early date in another bill.

The first title of the bill now presented to the Senate is designed to give the Interstate Commerce Commission the same emergency powers with respect to motor carriers that it now has over railroads. Motor carriers now transport a very substantial amount of material needed in the war effort, and so it was deemed essential in order to minimize dangers and to ex-



pedite action, that the Commission should have the power to require that materials necessary in the war effort should be moved by motor carriers ahead of other materials, and that the Interstate Commerce Commission should have the same powers over motor carriers as it has over railroads.

The committee studied the title with a good deal of care in order to make certain that it was not intended to convey to the Interstate Commerce Commission any power to break down the States' regulatory statutes, and amendments were inserted in the bill to carry out this purpose. Members of the Senate will find the amendments on page 2, in lines 3 and 4, and in line 14.

Title II deals with the acquisition of property by the Government. Under the law as it now stands the Secretary of War has broad authority in this field. It was deemed essential that authority similar to that now exercised by the Secretary of War should also be exercised by the Secretary of the Navy and by other Government agencies to which the President should find it necessary to delegate authority.

Title III deals with priorities powers. It was reported to the Judiciary Committee that violations of the priority power, or the orders made under the priority power, had been noted, but that there is not sufficient authority to prevent such violations. It was urged that we should place effective penal provisions in the law. This title is intended to bring about that condition. To carry out the production program effectively, we say in the report, it is necessary that the power shall exist to require particular plants to take particular war orders.

Title IV deals with the power of the Federal Reserve banks to purchase Government securities. This power was in the old law. It was exercised by the Federal Reserve banks prior to and during the World War.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. I question the statement the Senator has just made. While it is true that in the World War the Federal Reserve banks could buy Government bonds direct from the Treasury, it was not true at that time that the Federal Reserve Board and the open market committee could make them buy bonds from the Treasury. That provision was inserted in 1935. At that time the restriction upon market purchases was inserted for the very purpose of preventing the Federal Reserve Board and the open market committee from ordering the Federal Reserve banks to buy Government bonds direct from the Treasury. So it seems to me perfectly clear that the power which is now sought to be granted is not a power which existed during the World War, as the Senator stated.

Mr. O'MAHONEY. Mr. President, I was about to point out that the act of 1935 did carry this power. The committee felt that in all the circumstances it is desirable to extend it at the present time. The suggestion was referred to the chairman of the Banking and Currency Committee and by him approved.

Mr. TAFT. Am I to understand that the committee heard Mr. Eccles, the representative of the Federal Reserve banks, the Treasury officials, or anybody else testify as to why the proposed change is necessary, or the reasons for it?

Mr. O'MAHONEY. The Treasury was represented on the general committee. All the interested agencies were represented.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. It seems perfectly obvious to me that the effect of this amendment would be to give the Treasury power to make the Federal Reserve banks buy Government bonds direct from the Government at any rate of interest it may see fit to impose. The effect would be entirely to supersede the present system of marketing Government bonds and impose a danger to the soundness of the currency of the United States, which is exactly the danger which finally wiped out the French and German currency in the World War. It seems to me that the matter should be considered by the Banking and Currency Committee, and that experts should testify as to the effect of the proposed change and the adoption of such a policy.

Mr. O'MAHONEY. Mr. President, it is not my understanding that the bill would have the effect which is attributed to it by the Senator from Ohio. The provision which is restored in the pending bill was in the following language in the original law:

*Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities, but only in the open market.*

The effect of the committee amendment is to strike out the phrase "but only in the open market." It is not my understanding that it would give any compulsory powers to the Federal Reserve Board with respect to the Federal Reserve banks or other institutions.

Mr. President, the next title, title V, deals with the navigation and inspection laws, and provides for a waiver of such laws. At the outbreak of the war—that is to say, after Pearl Harbor—the President issued an Executive order authorizing the Secretary of Commerce to waive the navigation and inspection laws. However, it was the advice of the Attorney General to the President that specific legal authority to this effect should be granted. The feeling of the Executive and of the Attorney General is that in the prosecution of war, when quick transportation is necessary and things may have to be done upon emergency notice, it is essential that the sailing of vessels should not be held back by laws which in peacetime are not only desirable but even necessary.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. VANDENBERG. Is the Senator familiar with the fact that the Senate legislated upon this precise subject in December, and passed a bill upon which

the Commerce Committee had spent at least 4 weeks?

Mr. TAFT. Does the Senator refer to the act of October 16, 1941.

Mr. VANDENBERG. No. I am speaking about a bill which was reported on December 9, 1941, by the Commerce Committee, dealing with these precise exemptions.

The bill to which I refer is still pending for conference with the other House, so it has not reached the statute books; but I am reminding the Senator that the committee of the Senate which has jurisdiction of this subject spent months on it, under the supervision of a subcommittee headed by the able Senator from Maryland [Mr. RADCLIFFE]. We heard all the interested parties, including the Government itself. We came to the conclusion that no such general waiver was necessary, and that if there were to be a waiver, at least there should be the limitations fixed in the bill passed by the Senate in December, which preserve the laws requiring the division of crews of vessels into watches and limiting the hours of labor of seamen on such vessels, and which also provide that no waiver shall put a ship in an unsafe condition for maritime travel.

Furthermore, it was provided that only specific waivers should be made in specific instances, and that reports should be made periodically to Congress upon the subject. I remind the Senator, in all good faith, that there are a great many interests in this country—I do not use the word "interests" invidiously—there are a great many groups which, over a long period of years, have been building up the navigation and inspection laws. Those laws represent the culmination of years of controversy and effort to create fundamental protections not only for maritime labor but for maritime travel.

The Senator offers a proposal without a word of testimony that I can find in the only available statement on the subject, which is on our desks, and without a word of sustaining testimony to veto the conclusion of the Commerce Committee of the Senate within the past 3 weeks. I am wondering what the Senator has to say by way of justification for this complete waiver without any limitation whatsoever.

Mr. O'MAHONEY. Mr. President, much, if not all, that the Senator from Michigan says is quite true. The feeling of the Judiciary Committee in considering this particular title—and, indeed, all the other titles of the bill—may be simply stated. It is our feeling that we are in a very desperate war and that it is highly desirable to waive anything that might impede the effort; and that there should be no handicaps upon the President and those who are carrying on the war in doing what may be necessary at the time. Of course, we are absolutely dependent upon the Executive to exercise the broad powers, which are being granted, with discretion, and without destroying any of the necessary and desirable safeguards to which the Senator refers.

Our feeling was that, after all, war is an executive function; it is not a legislative function.



Mr. VANDENBERG. Mr. President, if the Senator will permit me to interrupt him, let me say that he overlooks the fact that the legislation I am talking about, which was passed by the Senate in December, was passed after the attack on Pearl Harbor, and for the purpose of doing precisely the thing the Senator now indicates; and it was the judgment of the Senate, based on a most careful investigation by the Commerce Committee, that only a limited waiver was necessary in order to achieve everything the Senator says he wants to achieve.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield to the Senator from Vermont.

Mr. AUSTIN. I offer for consideration at this time, because I think it should be considered in connection with the question, the Attorney General's comment about title IV. I think it is about as good a brief statement of the reasons for the waiver as any I have seen. I am omitting the first half of his statement, and I read only a paragraph of it:

We all know that the Federal Government is spending greater amounts of money in the prosecution of this war than have ever been spent before by any nation on this earth. There will be a corresponding need to borrow large sums. This may create disturbances in the money markets which will seriously impede financing of the war unless the Federal Reserve banks are given the power to make purchases of Government securities off the market.

Mr. VANDENBERG. That is not the title we are talking about now.

Mr. AUSTIN. I thought the Senator was inquiring about the waiver of public bidding.

Mr. VANDENBERG. We were discussing title V, Waiver of Navigation and Inspection Laws.

Mr. AUSTIN. I beg pardon. I had stepped out of the Chamber for a moment. However, I think the question with respect to the bonds has not been completely answered; so, if the Senator has no objection to my doing so, I shall finish reading the paragraph, so as to get it in the RECORD. There is just one more sentence:

Accordingly, it is important to increase the ability of the Federal Reserve System to assist in maintaining a stable market for Government securities.

Mr. MALONEY rose.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. The Senator from Connecticut desires to interrupt, I believe. Therefore, I yield to him.

Mr. MALONEY. Mr. President, I simply desire to ask the Senator from Michigan a question. I went to the Commerce Committee, after the Senate convened, in order to get a copy of House bill 5111 and a copy of the hearings thereon. Upon my return I find the Senator discussing the meetings of the Senate committee on this subject. Has he a copy of House bill 5111?

Mr. VANDENBERG. Yes.

Mr. MALONEY. Then I shall not interrupt further, because I assume he will cover what I was about to say, and perhaps much better than I could do.

Mr. WHITE. Mr. President, will the Senator from Wyoming yield?

Mr. VANDENBERG. If the Senator will first let me respond to the Senator from Connecticut, that is precisely the point to which I now am calling the attention of the Senator from Wyoming; namely, that, while the bill which he submits is a total waiver of everything that has ever been written by way of protection into the navigation and inspection laws, the Senate itself has said within 3 weeks, by its vote approving the work of the Commerce Committee and its subcommittee, that only a limited waiver is necessary; and that limited waiver was satisfactory to the departments involved at the time we agreed upon it.

Mr. MALONEY. Mr. President, I should like to make a further observation, if the distinguished Senator from Wyoming will yield to me.

Mr. O'MAHONEY. I am very happy to yield to the Senator from Connecticut.

Mr. MALONEY. I had intended to make some remarks on this subject, but I am satisfied to associate myself with the remarks and views of the Senator from Michigan. We had extended hearings on this particular subject in connection with the consideration of House bill 5111, and we amended the House bill in that respect so as to provide, as the Senator from Michigan knows and probably has already stated, that there shall be more than one individual making the request.

Fully appreciative of the seriousness of the situation with which we are confronted, I simply desire to say that the Congress of the United States should not unnecessarily and too readily yield its powers over commerce, which are not easily recaptured; and in instances such as this particular one—and, as the very able Senator from Michigan has pointed out, men sweated for years in order to build up the navigation laws—I do not think we should waive or repeal them on the say-so of one individual.

The language of House bill 5111 authorizes the action sought for in the war-powers bill, but with some reasonable restrictions. Before the pending bill is passed I think the restrictions, insofar as this particular matter is concerned, should be changed so as to be in accord, or nearly in accord, with the earlier bill considered and passed upon by the Commerce Committee and by the Senate.

Mr. VANDENBERG. Mr. President, let me ask the Senator from Wyoming if the Judiciary Committee ever heard of House bill 5111 in connection with its consideration of the pending measure?

Mr. O'MAHONEY. I cannot speak for all the committee with respect to that particular bill, because the question was not raised in the committee meetings. I am sure that at least some of the members of the committee must have heard of the bill at one time or another.

Mr. VANDENBERG. The Senator says there was no reference to House bill 5111 in the committee's consideration of the pending bill?

Mr. O'MAHONEY. No; there was not. If the Senator will bear with me, I will say that the Attorney General, in his

statement to the committee, referred to the fact that the President had issued an Executive order with respect to the matter. I have before me a copy of the Executive order. It should be borne in mind that this is an Executive order issued by the Commander in Chief:

Executive order authorizing the Secretary of Commerce to waive compliance with the navigation and vessel-inspection laws for war purposes

By virtue of the authority vested in me by the Constitution and statutes of the United States as President of the United States and Commander in Chief of the Army and Navy, and to further the successful prosecution of the war, it is hereby ordered as follows:

1. The Secretary of Commerce is directed to waive compliance with the navigation and vessel-inspection laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request.

2. The Secretary of Commerce is authorized to waive compliance with the navigation and vessel-inspection laws to such extent and in such manner and upon such terms as he may prescribe, either upon his own initiative or upon the written recommendation of the head of any other Government agency that such action is necessary in the conduct of the war.

(Signed) FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 12, 1941.

The title was described by the Attorney General in the following words:

Title V of the bill relates to the waiver of navigation and inspection laws by the Secretary of Commerce where necessary for the prosecution of the war. Five days after the attack on Pearl Harbor ships needed to carry men and materials in the Pacific were faced with the necessity of complying with these laws. Acting under his constitutional powers as Commander in Chief, the President issued an Executive order giving the Secretary of Commerce this authority. Both the President and myself, however, were convinced of the advisability of obtaining legislation to this effect.

I am certain that it is not necessary to explain, at length, the need for vessels transporting men and materials to sail without delay of any kind. In many cases delay will necessarily occur if vessels engaged in transportation are required to comply with all applicable provisions of the navigation and inspection laws. These laws are so many and so varied that it is impossible to foretell which of them may stand in the way of expeditious sailing.

The proposed bill follows the provisions of the Executive order and provides that the Secretary of Commerce shall waive such laws upon the request of the Secretary of War or the Secretary of the Navy, upon his own initiative, or upon recommendation of the head of any other agency that such action is necessary to the conduct of the war.

Obviously, the purpose is to require that the waiver shall be made only when it is necessary in the prosecution of the war. The members of the Judiciary Committee felt, and certainly I felt, that while, of course, at any other time legislation of this kind would be objectionable, at this time it is highly desirable.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. VANDENBERG. Every request and demand contained in the Attorney General's statement just read is fully



met by the Senate substitute for House bill 5111, which the Senate passed 3 weeks ago; and every waiver power for which there was any request by the departments is contained in the Senate bill. The Senator has yet to present any reasons why we should go beyond that point.

Mr. O'MAHONEY. What provision of House bill 5111, to which the Senator refers, does he feel should be included?

Mr. VANDENBERG. I think House bill 5111 should be substituted for title V, because it is the considered action of the Senate committee which has jurisdiction of the subject and which spent 4 weeks in almost constant consultation with the departments in order to write the rule of conduct necessary for the emergency.

Mr. MALONEY. Mr. President, will the Senator from Wyoming yield to me for a moment?

Mr. O'MAHONEY. I am glad to yield to the Senator from Connecticut.

Mr. MALONEY. May I ask the Senator from Michigan if he will not have that very brief bill read, so that the Senate may thoroughly understand what it is?

Mr. VANDENBERG. I will be very happy to ask that it be read, and I send it to the desk for that purpose.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Wyoming yield for that purpose?

Mr. O'MAHONEY. I was about to read the bill myself, but I shall be very glad to have the bill read.

The PRESIDING OFFICER. The clerk will read as requested.

The Chief Clerk proceeded to read, as amended by the Senate, the bill (H. R. 5111) authorizing the waiver of the navigation and inspection laws during the national emergency, as follows:

That during the national emergency declared by the President on May 27, 1941, to exist, but not after June 30, 1943, for the purpose of securing the most expeditious transportation consistent with safety of men and materials that are necessary to national defense and to reduce delays in water-borne transportation—

Mr. O'MAHONEY. Mr. President, let me interrupt there to point out that there is a limitation on the time as of June 30, 1943.

Mr. VANDENBERG. Does the Senator mean by that implication that the proposal the clerk is reading is not so broad as the recommendation he has made? That is what I am complaining about.

Mr. O'MAHONEY. I mean that this grant is limited by its own terms to June 30, 1943. The bill which the Committee on the Judiciary has reported is for the period of the emergency.

Mr. VANDENBERG. That is one of the very reasons why I think the House bill is preferable and why the Committee on Commerce thought it was preferable. The Senator merely emphasizes the virtue of my position.

The Chief Clerk resumed the reading, as follows:

provide quicker turn arounds, expedite deliveries, and help to prevent shortages in defense or critical materials, and, when in the opinion of the Secretary of Commerce there is no other reasonable recourse—

Mr. O'MAHONEY. Let me interrupt there to say that the phrase which the clerk has just read was an amendment which, I understand, was inserted in the bill by the Senate.

The Chief Clerk resumed the reading, as follows:

the Secretary of Commerce is authorized, upon written recommendation of the Secretary of the Navy, and of the Secretary of War, and of the Secretary of the Treasury and of the Secretary of Labor, and of the Chairman, United States Maritime Commission, or any three of the above-named officials—

Mr. O'MAHONEY. I interrupt again at that point to call the attention of the Senate to the fact that in the lines which the clerk has just read there are six amendments.

Mr. VANDENBERG. All approved by the Senate.

Mr. O'MAHONEY. But not approved by the House.

Mr. MALONEY. The other body has never had a chance to approve them, let me say to the Senator.

Mr. O'MAHONEY. My understanding is that the bill is tied up in conference.

Mr. MALONEY. It is the Senate version of the House bill that is being read, and the conferees have never acted upon it.

Mr. O'MAHONEY. That is exactly the point I was making.

The Chief Clerk resumed and concluded the reading as follows:

to waive compliance with the navigation and vessel inspection laws of the United States, except laws requiring the division of crews of vessels of the United States into watches, or limiting the hours of labor of seamen on such vessels, but only to such extent and in such manner and upon such terms as he may find after investigation to be necessary or proper for the national defense: *Provided, however,* That the Secretary of Commerce shall not waive compliance with any of such laws to such an extent as will permit the navigation of any vessel in an unsafe condition, nor with the coastwise laws of the United States where the service desired can be supplied promptly by American ships: *Provided further,* That in the exercise of authority granted by this act, the Secretary of Commerce shall waive compliance with any of such laws only by specific rulings for specific occasions, and shall in each case specifically state the particular laws with which compliance is waived and the reasons therefor: *And provided further,* That during the effective period of this act the Secretary of Commerce shall, at the convening of each session of Congress, and monthly while the Congress is in session, report to the Congress every action taken by him under authority of this act.

Mr. O'MAHONEY. Mr. President, up to the present moment, of course, I have been engaged merely in an attempt hurriedly to explain the full scope and purpose of the bill. Later, I shall ask, of course, the Senate to consider the committee amendments, and, after that, any amendments which may be proposed by any Member of the Senate. So far as I am personally concerned—and I feel that the committee itself would agree with this statement—I see very little difference between the purpose and effect of the bill already passed by the Senate and the provision which the committee has reported, except in the one respect to which I have already called attention,

namely, the limitation to June 30, 1943. It occurs to me to suggest that, as I proceed with the discussion of the remaining part of the bill, I will be very glad to have the Senator from Vermont [Mr. AUSTIN], whom I see on the floor, and the Senator from Connecticut [Mr. DANAHER], and other members of the Judiciary Committee consider whether it would not be desirable to accept the substitution of House bill 5111, with a change in the limitation so that it may harmonize with the limitation contained in the bill. Personally, I would have no objection to that.

Mr. VANDENBERG. Mr. President, if the Senator will permit me, I appreciate very much the spirit in which he makes the suggestion, and I will be very happy to await any conferences which may be had that would produce the desired result. If I may say so to the Senator, all of us who joined in supporting the House bill 5111, as amended by the Senate under the able leadership of the Senator from Maryland [Mr. RADCLIFFE], were eager to achieve every aim the Senator has in mind with reference to the necessities of national defense, but we wanted to stop at the point beyond which it was not necessary to go. That is precisely the line which we think we rather judiciously approved.

Mr. O'MAHONEY. I quite approve the general policy laid down by the Senator in that statement.

Let me refer to the next title, which is the power to requisition. This is, in effect, a modification of the act of October 16, 1941. Since the enactment of that requisitioning law it seems to have been made clear that authority should exist to take over machines and tools as well as plants in a little broader manner than that provided for in the law as it now stands. I call the attention of the Senate to the fact that the act of October 16, 1941, contains three restrictions upon the power. It is provided that:

Nothing contained in this act shall be construed—

(1) To authorize the requisitioning or require the registration of any firearms possessed by any individual for his personal protection or sport—

And so forth.

(2) To impair or infringe in any manner the right of any individual to keep and bear arms—

Both those restrictions are retained, but the original act also contained the following restriction:

(3) To authorize the requisitioning of any machinery or equipment which is in actual use in connection with any operating factory or business and which is necessary to the operation of such factory or business.

When that provision was written into the original law the country was at peace. It was the judgment of the committee and the judgment of the executive branches that in time of war the power should be broader; so the committee has recommended that elimination.

Mr. DANAHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Connecticut?

Mr. O'MAHONEY. I yield to the Senator from Connecticut.



Mr. DANAHER. What the Senator has just discussed is now tied in with language appearing in title II on pages 2 and 3 of the pending bill. I should like very much to ask the Senator a question which relates back to title II.

Mr. O'MAHONEY. I shall be very glad to have the Senator do so. I probably should point out to him that title VI relates exclusively to personal property, whereas title II relates primarily to real property; but it deals with personal property when related to the real property which is being taken over.

Mr. DANAHER. Mr. President will the Senator yield to me?

Mr. O'MAHONEY. Certainly.

Mr. DANAHER. I thank the Senator. Inviting his attention to the report of our own committee on page 4, we purport to justify the amendment contained in title II on the ground that the War Purposes Act of 1917 was not sufficiently broad. We point out also that—

The Navy Department, in particular, has as urgent need of this authority as the War Department for such items as shipways, etc.

Mr. President, when we passed the act of October 16, 1941, to which the Senator from Wyoming has referred, we said that the President of the United States might requisition—

Military or naval equipment, supplies, or munitions, or component parts thereof, or machinery, tools, or materials necessary for the manufacture, servicing, or operation of such equipment, supplies, or munitions—

And the like. We expressly provided, in particular, that—

The President shall determine the amount of the fair and just compensation to be paid for any property requisitioned and taken over pursuant to this act and the fair value of any property returned under section 2 of this act, but each such determination shall be made on the basis of the fair market value of the property at the time it is requisitioned or returned, as the case may be. If, upon any such requisition of property, the person entitled to receive the amount so determined by the President as the fair and just compensation for the property is unwilling to accept the same as full and complete compensation for such property he shall be paid 50 percent of such amount and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States in the manner provided.

Moreover, he might bring suit for an additional amount whenever he considered that the amount tendered did not represent fair and just compensation for the property.

Particularly, then, Mr. President, in section 2, we provided that—

Whenever the President determines that property acquired under this act and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner; but, in any event, property so acquired and retained shall, if the owner desires the property and pays the fair value thereof, be returned to the owner not later than December 31, 1943.

I have prefaced my comment to the Senator from Wyoming with the matter I have just read in order that he might the more readily follow the questions I should like now to direct to him.

On page 3 of the pending bill we discover that any governmental corporation—not only the Secretary of War or the Secretary of the Navy, but any governmental corporation or officer or board or commission authorized by the President—may acquire by purchase, donation, or other means of transfer, real property and any personal property associated therewith. He or it may also condemn any such property and take it for the purposes stated. But, Mr. President, I notice that the Senate Judiciary Committee has amended the proposed language in lines 11 and 12 and authorized the taking agency to dispose of such property or interest therein by sale, lease, or otherwise.

Mr. President, no limitation whatever is stated upon the manner and method of disposition of the property, is it?

Mr. O'MAHONEY. That, of course, is a power to sell under the restrictions which are contained in section 1 (b) of the act of July 2, 1940. In other words, the power was already granted in one act, and here it is conveyed in another. I am trying to get a copy of that specific statute.

Mr. DANAHER. Let me say to the Senator from Wyoming that unless there be restrictions stated in section 1 (b) of the act of July 2, 1940, this section imposes no restrictions. Is not that so?

Mr. O'MAHONEY. Of course, it must be remembered that there must be a finding that the action is in the interest of national defense; but I think the Senator is quite right.

Mr. DANAHER. Mr. President, will the Senator permit a further interruption?

Mr. O'MAHONEY. Certainly.

Mr. DANAHER. I am not talking about the taking in the first place. I am talking about the disposition of the property afterward. The Senator finds no limitation in title II unless it be stated in line 13. Is not that so?

Mr. O'MAHONEY. That is correct.

Mr. DANAHER. Mr. President, let me say for the information of the Senate that section 2 (b) of the act of July 2, 1940, imposes no limitation whatever, but does say that property so disposed of shall be disposed of in accordance with an act which was passed in 1932. If we have not tired of looking up the matter by the time we get back to the 1932 act, we shall discover that the only limitation therein contained is one which says that no property shall be leased other than for a monetary consideration. In other words, it says that if the Government leases the property that it takes away from one of its citizens, it must give a money consideration for the lease, and must not assume and agree to repair the plant, or to put it in good condition, or make any other such additional condition a part of the deal.

That is the only limitation that is contained there. I submit to the Senator from Wyoming that when title II, coupled with title VI to which the Senator refers, becomes law, if it shall become law, there is nothing whatever to prevent any agency whatever, when authorized by the President, to condemn the property, let us

say, of the Potomac Electric Power Co.—from turning it over to any agency he chooses, which may thereupon, without any limitation, without any restriction, make a lease of that property for 50 years, or for 100 years, on any terms it likes, so long as it is for a monetary consideration. Mr. President, war or no war, we certainly have not gone the length of finding a necessity in anything submitted to us in the hearing to justify a power of confiscation so broad as that.

I respectfully submit that the Senator from Wyoming himself would share my every view in this particular, I am sure, had I had the chance to call to his attention the omission of any limitation in this section. I have not had a chance to confer with him, because all the time of the hearing on this bill last week I was one of the conferees on the price-control legislation, and hence was not able to be present in the Judiciary Committee on the day of the hearing.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I shall be very glad to yield to the Senator from Vermont.

Mr. AUSTIN. It occurs to me that after the Government has condemned property and obtained title to it, both real and personal, if there is personal property on real estate, thereafter, during a period of war and 6 months thereafter, or until the earlier date provided for in the bill, it makes very little difference what the Government does by way of disposition of the property, provided it adheres to the public interest in disposing of it. These are war powers, and this particular title is a reenactment of the existing law, with the addition of the inclusion in it of authority in the Secretary of the Navy, who was not in the National Defense Act of 1917, and certain officers, boards, commissions, and so forth.

Before I sit down, I merely want to comment that the taking in of these boards was necessary if we were to carry out the theory which many of us, particularly on this side of the aisle, held, namely, that the power of production and procurement for military purposes should be centralized in one man—a civilian—who should have absolute authority over the subject of procurement for military and naval purposes. I do not know whether that statement satisfies the Senator from Connecticut.

Mr. DANAHER. Will the Senator from Wyoming yield to me further?

Mr. O'MAHONEY. I am very glad to yield, but let me first express my gratitude to the Senator from Vermont for his statement in explanation of his position in the committee.

Mr. DANAHER. I know that the Senator from Vermont has not met my objection. I also know that my objection can readily be met. I am certain that my objection, when properly stated, will find ready acquiescence among all three of us now engaged in this colloquy.

Let me now, with the permission of the Senator from Wyoming, turn to the observations of the Senator from Vermont and point out that the committee report



itself states that one of the things the Navy wishes to do is to take shipways. One of the principal questions which arose after the enactment of the War Powers Act of 1917 was derived from the fact that then whole areas of wharves and warehouses and storage ways were taken and, under the powers then conferred, were leased for an indefinite period. It was not until years after the war that the Attorney General, in construing the leases, had to find a lack of authority at that time to dispose of the property as it was purported to be disposed of; and, in fact, that there was an invalid attempt to exercise the right to lease.

Consequently, when the Congress, in October 1941, gave the owner of property taken an option, a continuing option, under the statute, to recapture his own property after the war by paying the fair value thereof, we were doing what was no more than equitable and right and just.

I submit that if we now amend the pending title in such fashion as to include the same sort of protection which we imposed in the act of October 16, 1941, we could meet every phase of the objection offered by me. I have no objection to the taking; I want our Government to take whatever property our President says is necessary to be taken in order to execute his plans in furtherance of the war effort. I have no objection to that. But I say that if he takes property, the very least he can do, and the very least we can do, is to give the owner the option to recapture his own property after the war.

Let me say further to the Senator from Vermont that, while it is true that under the proposed statute the power to take is limited to the period for which the act will be operative, there will be no limitation in the interim upon the disposition of the property by lease or otherwise. The Senator from Vermont himself will agree with me that if the Secretary of the Navy, for example, takes a piece of property by condemnation, he may lease it, under the language of this section. Is not that so?

Mr. AUSTIN. Yes; and why not?

Mr. DANAHER. I agree he should. All I say is that any such lease should have as its extreme date a period to be fixed by us reasonably coterminous with the terminating date of the power under which the property was seized. Answering the Senator's question, "Why not?" I do not want the Secretary of the Navy empowered to take my property, turn it over to X under a lease for a term of 20 years, and I be precluded from even attempting to recapture it. Nor would the Senator from Vermont want that done.

Mr. AUSTIN. I think we are not talking about the same subject. Of course, if it is wrong, it is wrong fundamentally; but my understanding of title II, "Acquisition of Property," is that it relates to an entirely different thing from that requisitioning which is mentioned in the act of October 16, 1941. I understand this relates to the acquisition of property so as to own it, so that the Government becomes the owner of the title of it, and the words "other means of transfer" do

not relate to a temporary title; they have reference only to the kind of transfer to the Government which conveys the whole title.

If that is an erroneous view of the title, then all I have to say is out the window; but if it is a correct view, then it seems to me that the owner from whom the property is taken, or by whom the property is given, is protected in the proposed act by what is in lines 8, 9, and 10, namely, "such proceedings"—meaning for condemnation, of course—"such proceedings to be in accordance with the act of August 1, 1888 (25 Stat. 357), and any other applicable Federal statute."

Mr. DANAHER. Will the Senator yield?

Mr. AUSTIN. I have not quite finished with the thought. If this is a title devoted to acquisition of the ownership of property, then I conceive that it will not be necessary to apply the act of October 16, 1941; but if I am wrong about it, then there is no reason in the world why we should not accept the suggestion of the Senator from Connecticut, because it is not in conflict with the spirit of the proposal. Indeed, I think that, without the amendment, the act of October 16, 1941, should be applied under the provision "and any other applicable Federal statute." I want the Senator from Connecticut to understand that I am thoroughly in sympathy with his objective.

Mr. DANAHER. Will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. DANAHER. I know that both the Senator from Vermont and the Senator from Wyoming will share my view as a matter of principle. There is no question about that. I do not object to the first 10 lines on page 3 in any way whatever. Those are the lines which deal with the taking of property. I agree with the Senator, those are the lines which deal with proceedings under the act of August 1, 1888, "and any other applicable Federal statute." I agree with the Senator from Vermont; that is how we take the property, and that is how we proceed to the taking, and the statutes therein referred to deal entirely with the taking and the proceedings as to the taking. But lines 11, 12, and 13 have been imported into the bill by a committee amendment, and they are independent entirely of the first 10 lines. Lines 11, 12, and 13 provide that the seizing officer "may dispose of such property or interest therein by sale"—that is one way—by "lease," without limitation as to terms, "or otherwise," and no limitation whatever is stated; in accordance with section 1 (b) of the act of July 2, 1940, which merely provides that if there be a lease, it shall be for a consideration in money.

Let me say to the Senator from Vermont that there is no limitation as to the disposal of the property once it has been properly taken, and it is in respect of the disposal of the property that I level my criticism. I say that once there is a finding that property is needed for military or naval uses, we should take it, and I say that in the taking of it we should proceed under the act of August 1, 1888, or any other applicable Federal statute. So I am in complete conformity with the Sen-

ator from Vermont thus far. But I say that once we take the property from its owner, we certainly should give the owner the option of recapturing his own property, at a fair valuation, when the governmental need for its use has terminated. That is my whole contention.

Let me say to the Senator from Wyoming that my objection can easily be met by imposing as a condition of lease that the property shall not be leased for a period longer than 1 year, let us say, beyond the date of the expiration of the act; or, as an alternative, that if the property shall have been disposed of under the "or otherwise" clause, or if it still be held, the owner shall have the right, under option, to recapture his own property upon payment of fair value. That is perfectly reasonable; it is perfectly equitable, and it is surely American.

I thank the Senator from Wyoming for his forbearance and his cooperation. I know he will understand that I am attempting to remove an objection which is fundamental to the process of taking, and after we remove these objections, I should personally in no way whatever argue even against the applicability or the desirability of title II.

Mr. TAFT rose.

Mr. O'MAHONEY. Mr. President, before I yield further, I wish to comment on what the Senator from Connecticut has said. I take it his criticism is directed not so much against the bill which has been brought in by the committee as against the act of July 2, 1940, because, all in the world proposed to be done by the bill is to give to the Secretary of the Navy, and to other boards and commissions authorized by the President, the same power the Secretary of War now has. The amendment to which the Senator has called attention was inserted by the committee for the purpose of bringing this grant into harmony with the provisions of the act of 1940. I can conceive of circumstances in which an amendment such as the Senator has suggested, which would limit the powers at least to a year or to 2 years, might have the effect of preventing a very necessary lease to be made in connection with the war effort.

Mr. DANAHER. Mr. President, will the Senator again yield to me?

Mr. O'MAHONEY. Certainly.

Mr. DANAHER. I thank the Senator. If the Senator from Wyoming would simply strike out lines 11, 12, and 13 on page 3, we would not need my proposed amendment; for, then, once any Government agency took a property for a proper Government use, it would thereafter be disposable only under existing general law, and then there would not be a question of any limitation being necessary; and I think the Senator from Vermont [Mr. AUSTIN], able lawyer as he is, would agree that that is a declaration of good, applicable law.

Mr. AUSTIN. Mr. President, that sounds probative to me. I see no reason why we could not compose this difference very easily by taking out those words.

Mr. O'MAHONEY. Mr. President, I was about to suggest that we are still simply having a preliminary discussion of the measure, and the suggestion which the



Senator makes will properly come before us when we come to act upon that part of the bill.

Mr. DANAHER. I thank the Senator.

Mr. TAFT. Mr. President, I wish to understand the breadth of the new section 2 in title II. Am I to understand that the President may delegate to anyone in the Government the power to make the finding that some property is needed for war purposes, or does the Senator think the President himself has to make the finding? It seems to me very objectionable to say that anyone in the Government, any clerk, or anyone else, can make a finding that some property is necessary for war purposes. The term "war purposes" is so broad that it covers almost anything one can think of.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. AUSTIN. I was curious about that very thing, and upon consideration of another matter in another committee I had an opportunity to interrogate Mr. Donald Nelson and the Under Secretary of War about that subject, and I am confident that the powers which we are now talking about, proposed to be contained in this Executive War Powers Act of 1942, will be within the jurisdiction of the War Production Board, of which Mr. Nelson has been made chairman.

Of course, in the vertical descent of authority the President is first, as Commander in Chief, but under him, the very next in line is the War Production Board, and Mr. Nelson in person, by virtue of Executive order, has been vested with authority, under all statutes prior to the measure before us. I particularly examined him with reference to the powers contained in this measure. I have a transcript of his testimony regarding those powers, which I shall be very glad to insert in the RECORD at the proper time, in which he makes the statement that there is now on the President's desk an additional Executive order which will charge him with the duty of exercising the powers in question.

Mr. TAFT. Mr. President, I am very glad to have that information, but, of course, it does not answer my question. The question I was asking was whether the Senator thought the President could simply say that a government agency shall have power to take any property, we will say, for example, manufacturing property, and then the same agency shall make the finding of necessity.

Mr. O'MAHONEY. If the Senator will permit me I shall endeavor to answer his question.

Mr. TAFT. Every condemnation case must be based somewhere on a finding of necessity for war purposes, and I am wondering whether the Senator thinks the President can delegate that power under this provision, or whether he must, as I think he should, make the finding himself in every case in which there is an actual requisitioning of real property.

Mr. O'MAHONEY. No, Mr. President, as the bill has been reported from the committee, it grants the President the authority to designate the agency, and when the agency has been so designated,

the head of the agency will have to make the same finding which the Secretary of War does not under the present law.

Mr. TAFT. So it is practically a wide-open grant. Does the Senator see any reason why the Government should not proceed under this measure to seize any industrial plant in which there is a strike, so as to make unnecessary the Connally bill which is now pending on the Calendar of the Senate?

Mr. O'MAHONEY. Mr. President, it had not occurred to me that such interpretation would be placed upon the provision. I doubt very much whether there would be any such exercise of authority under this measure. I feel, as has already been demonstrated by events which have happened since Pearl Harbor, that the danger of strikes has been greatly lessened by reason of the outbreak of the war. I think the point of view with which the great majority of the people of the United States approach all these problems has tremendously changed since December 7. Prior to that time we very properly considered checks and balances upon the executive authority. Prior to that time we were anxious to see that no grant of power should be made which could be used against the interests or the privileges or the rights of citizens. In the prosecution of the war it seems to me we can depend only upon the good faith and the patriotism of all those to whom we grant power, and I feel that it is not as necessary now in a temporary emergency bill as it was previously to examine with meticulous care every grant which is made.

Mr. TAFT. Surely, the Senator admits that there is a point beyond which we should not go?

Mr. O'MAHONEY. Oh, certainly.

Mr. TAFT. So all we are discussing now is where that point is, as to how far the power should be given. It seems to me that in the Connally bill it was rather carefully provided that if a plant were taken over by reason of labor disputes, the question of wages could be handled in a certain way, and that the plant was to be given back at the end of the war, but now, by granting this power, we go far beyond that, and provide that whenever labor disputes occur the Government may, so far as I can see, take over the whole plant the next day, and keep it forever, or rent it to somebody else. I should feel much better about the whole matter if the Senator would agree to eliminate the amendment, because while I can understand why the Government may have to take over a plant, and operate the plant itself, I cannot see why it should take away a plant from me and give it to the Senator from Wyoming, and have him operate the plant under the same conditions. If the Government needs the plant, it seems to me, it ought to take it. It does not seem to me it ought to take it for the purpose of giving it to somebody else, and I strongly urge the Senator to accept the suggestion made by the Senator from Connecticut [Mr. DANAHER] in that respect.

Mr. O'MAHONEY. Mr. President, I think the Senator from Ohio has reached his conclusion by considering only the

effect upon plants. Let us consider shipways, for example. The Navy Department is particularly anxious to have this power because the Navy Department wants to engage immediately in the construction of ships. It wants to engage in the construction of shipways. It may be that condemnation proceedings would be effective with respect to bare, unimproved real property. It might be real property which had certain types of buildings upon it, or real property with which certain personal property was associated or to which it was attached. In order to carry out the power to build ships to carry on the war it might be desirable and necessary for the Secretary of the Navy to grant a lease. If such a lease were to be limited by act of Congress to 1 year or 2 years it might easily be that the Secretary of the Navy could not get anybody to agree to the lease. So, perhaps, the bill should be permitted to stand as it was reported by the committee.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. AUSTIN. In view of the discussion relating to who will pass upon the questions of fact upon which the power to appropriate private property for public use is based, I think it would be well to have inserted in the RECORD at this point the act which is referred to in the bill in lines 9 and 10 on page 3, namely, the act of August 1, 1888 (25 Stat. 357). The act points out what judicial body shall pass upon the questions of fact and determine what the pleadings are, and all the things which are necessary to protect private interests. I therefore ask unanimous consent that the act be inserted in the RECORD at this point.

Mr. O'MAHONEY. I think that is a very valuable suggestion.

There being no objection, the act was ordered to be printed in the RECORD, as follows:

#### Public, No. 214

An act to authorize condemnation of land for sites of public buildings, and for other purposes

*Be it enacted, etc.,* That in every case in which the Secretary of the Treasury or any other officer of the Government has been, or hereafter shall be, authorized to procure real estate for the erection of a public building or for other public uses he shall be, and hereby is, authorized to acquire the same for the United States by condemnation, under judicial process, whenever in his opinion it is necessary or advantageous to the Government to do so, and the United States circuit or district courts of the district wherein such real estate is located, shall have jurisdiction of proceedings for such condemnation, and it shall be the duty of the Attorney General of the United States, upon every application of the Secretary of the Treasury, under this act, or such other officer, to cause proceedings to be commenced for condemnation, within 30 days from the receipt of the application at the Department of Justice.

SEC. 2. The practice, pleadings, forms, and modes of proceeding in causes arising under the provisions of this act shall conform, as near as may be, to the practice, pleadings, forms, and proceedings existing at the time in like causes in the courts of record of the State within which such circuit or district courts are held, any rule of the court to the contrary notwithstanding.

Approved, August 1, 1888.



Mr. O'MAHONEY. Mr. President, if I may proceed quickly perhaps we can dispose of the other titles of the bill.

Title VII deals with political activity. It is intended merely to exempt from the provisions of the Hatch Act persons who are employed for part time, either as officers or employees, without compensation or with nominal compensation.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BROWN. Mr. President, I for one seriously object to title VII of the bill. I can think of no group of men in the service or employ of the Government to which the provisions of the Hatch Act should apply with greater certainty than the groups which it is proposed to exempt by title VII.

I should like to ask the Senator from Wyoming the source of the suggestion to the Judiciary Committee. Whence did it come?

Mr. O'MAHONEY. Mr. President, my first contact with what seems to me to be the desirability of such an exemption was last September, when I went home during a recess of the Senate. I found that the local selective-service boards throughout my State were about to be completely destroyed because certain members of the board were serving in some political or partisan capacity on local committees.

I think it is utterly wrong to say that because a man has accepted service upon a county committee, a State committee, or a national committee he shall not be permitted to take part in the war effort. To say, for example, that men shall not be eligible to be members of the tire rationing boards if, forsooth, they happen to be members of county committees is an utter and complete destruction, it seems to me, of any fair concept of citizenship. I object, and always have objected, to the implication that once a man associates himself with politics he somehow becomes unclean. I do not regard myself in any degree better than the members of the national committees, whether they be Republicans or Democrats.

Mr. BROWN. I have never heard a better argument against the Hatch Act in its entirety than the argument the Senator from Wyoming is now making. I think everything he says applies to the Hatch Act as a whole.

Mr. O'MAHONEY. We are not dealing here with the Hatch Act. If the Senator wishes to consider my statement as an argument against the Hatch Act I am willing that he shall so consider it. We are merely saying that when in this all-out effort we call upon the intelligence, ability, and patriotism of all our people we shall not bar from cooperation in that effort persons who, in my opinion, are rendering a patriotic service when they act upon county committees, State committees, and national committees of the respective political parties.

Mr. BROWN. I wish to call attention to the fact that the local draft boards are largely chosen by the Governors of the several States; and I think the Governors have done a very good job in making the selections. However, I do not

know of any group of governmental employees which deals with a more tender subject than that of choosing which citizens of the United States shall be brought into the armed services of the United States. If we accept the principles of the Hatch Act—which I never have done—I think that the men who deal with the lives of our citizens and the contributions which the young men are making in the armed forces of the United States ought not to engage in partisan politics.

Second, I say that the great group of so-called dollar-a-year men who come into the Government of the United States ought to be required to live up to the same restrictions as are imposed upon all other employees of the Government. I think it is utterly unfair to allow any so-called dollar-a-year man to engage in politics to any extent he wishes, and to tell John Doe, a Government clerk in some department of the Government—let us say in the Archives Building—that he may not engage in politics.

Mr. O'MAHONEY. It was the opinion of the committee that the bill does not apply to dollar-a-year men; and we wrote into the report, in the first paragraph under "VII," the following language, which the Senator will find on page 6:

The exemption does not apply to full-time employees of the Federal Government, whether paid a salary, a dollar a year, or no compensation at all.

Mr. BROWN. Let me call attention to the bill itself. It says:

No officer or employee, except a part-time officer or part-time employee without compensation or with nominal compensation.

I assumed that that applied to dollar-a-year men.

Mr. O'MAHONEY. The dollar-a-year men are full-time employees.

Mr. BROWN. Some are and some are not. A great many of them are still drawing salaries from the corporations with which they are connected.

Mr. O'MAHONEY. I think that is a matter which ought to be handled in an entirely different manner. Suppose there were an expert living in the Senator's home town, whose advice, knowledge, and ability might be desirable in a consultative capacity. Suppose he were invited to Washington to consult with the War Production Board, with Mr. Nelson, or with the Secretary of War, the Secretary of the Navy, or the Air Corps. Would the Senator say that if that man also happened to be a member of the county committee he should be barred, and that he should first resign from his county committee before giving the Government the benefit of his advice? I cannot see it.

Mr. BROWN. If the expert happened to be an economist in the University of Michigan he would be already barred under the Hatch Act.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Vermont.

Mr. AUSTIN. If we should omit title VII we should expose the whole war ef-

fort to a great deficiency in the several States. I can illustrate that by what occurred between the two major parties in Vermont.

Mr. BROWN. I thought there was only one major party in Vermont. [Laughter.]

Mr. AUSTIN. There are really two. There was an exchange of letters between the chairman of the Republican State Committee and the chairman of the Democratic State Committee, in which it was agreed that the unity, harmony, and strength of the war effort of Vermont would be promoted if they should make a combined list of the Democratic and Republican town committees of the whole State, from which selections should be made for contributions of a civilian character to national defense. That was a very stimulating act, in which the unanimous consent of the whole State was reflected at once; and, although Vermont has been in the vanguard of the national-defense movement from the beginning, yet this particular act of the two parties in the State of Vermont gave great impetus to the unity which is absolutely necessary for an all-out effort on the part of Vermont and, I think, of every other State in the Union. Many men are needed in the civilian contribution to the war effort; and if we simply blank out the town committees, both Democratic and Republican, of every town in every State of the Union, we shall bar some of the men who are best qualified to act upon enemy-aid hearing boards, to act as special assistants to the Attorney General, designated by the Department of Justice as special officers to hear cases involving conscientious objectors, and to serve on local and appeal boards under the Selective Service System, and to perform numerous other acts. In my opinion it would be a blow to the defense effort to take title VII out of the bill.

Mr. O'MAHONEY. Mr. President, I am very grateful to the Senator from Vermont for his very clear statement of the position of the committee.

Mr. GILLETTE. Mr. President, will the Senator yield in order that I may make a brief statement?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Wyoming yield to the Senator from Iowa?

Mr. O'MAHONEY. I am very happy to yield.

Mr. GILLETTE. I am afraid the committee fails to keep in mind the basic purposes of the Hatch Act, as they have been demonstrated in its application over the term of years since it has been in effect, and especially during the past year. It is not a question of compensation; it is a question of utilizing an official position, and the power it gives, to influence political elections. No prohibition of such action is contained in section 9 of the Hatch Act. That section provides that all such persons shall retain the right to vote as they may choose, and to express their opinions on all political subjects and candidates; but the point is that they are in an official position to use their official influence and the power they have over subemployees. It



is such action that we are endeavoring to prohibit.

Mr. O'MAHONEY. Oh, Mr. President, the exemption does not apply to the use of official positions.

Mr. GILLETTE. I am aware of that. The first sentence of the Hatch Act provides, as follows:

It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence \* \* \*.

The provision we are considering applies to the second sentence, which reads:

No officer or employee—

Except these—  
shall take any active part in political management or in political campaigns.

But they are expressly permitted to vote, to speak, and to discuss in any manner they see fit a political campaign, a political issue, or a political candidate. They are in a position, whether under the first sentence or the second sentence, to use their official authority. The committee which I had the honor to head during the past campaign, uncovered time and again the indirect use of political influence. Oh, no; they did not say, "You are working for me, and if you do not vote for this man your job is going to be nonexistent tomorrow." Incidentally, let me say that such statements were made in some States, but not in Federal offices. But when a man is told by any officer "I am interested in Joe O'MAHONEY, the Senator from Wyoming, and I should like to see him reelected," it is notice to that man that he has to vote and to support Joe O'MAHONEY; and if a man in an official position is allowed to become a member of a party committee—

Mr. O'MAHONEY. Mr. President, I must insist upon interrupting the Senator at this point. The Senator certainly does not imply that any such injunction to any person anywhere would be a violation of any rule of good conduct; does he?

Mr. GILLETTE. On the contrary, as a matter of public interest, I should think it would be entirely advantageous to support the Senator from Wyoming anywhere and in any place. But as a matter for the welfare of the electorate, regardless of the Senator's own candidacy, I think it would be a fatal mistake, and would open wide the door for the destruction of the benefits of the act which we put on the statute books.

Mr. O'MAHONEY. I must call the attention of the Senate to page 12 of the report, in which we inserted the provision of the Hatch Act which is to be amended by this provision. It reads as follows:

SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof.

We do not change that sentence in any way whatsoever.

The next sentence reads as follows:

No officer or employee except a part-time officer or part-time employee without compensation or with nominal compensation in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns.

It is that provision which we feel should be amended, because it is our judgment that the members of political committees, such as county committees, town committees, State committees, and national committees, who, because it is their duty—and in some cases such committees are set up by law—take an active part in political management, should not be barred from rendering the service they can render to the country in this great emergency. The committee, as I have said, had no doubt at all about the wisdom of the amendment which has been reported.

With that statement I shall proceed to the next title, which is title VIII. The title has been reviewed since the committee reported the bill. It is designed to provide for the compensation of persons who act in any of the protective capacities under the Office of Civilian Defense by extending to them the benefits the Employees' Compensation Act. I have consulted the senior Senator from Vermont, and I desire to send to the desk a substitute for the amendment as it is printed in the bill. The reason for the substitution is the desire to strike out the apparent limitation of the act to air-raid wardens, to eliminate the reference to fire wardens—because it is not likely that that would be a term which would cover any substantial number of persons, if any at all—and to insert, instead of "air-raid wardens and fire wardens," the phrase "any person in the protective services." That is the gist of the change made in the substitute amendment I have sent to the desk. There is a provision modifying the committee amendment, authorizing the Compensation Commission to establish new regional offices, to utilize existing regional offices, to utilize the personnel and facilities of other governmental agencies, and to delegate thereto such authority as may be necessary for carrying out the provisions of this paragraph.

Title IX deals with shipping of the Great Lakes. It extends during the period of the war emergency the provisions of the act of May 31, 1941. That act authorizes vessels of Canadian registry to transport iron ore upon the Great Lakes during the year 1941. Congress has recently passed a bill granting the same extension for 1942. The purpose of the provision in title IX is merely that there shall be a blanket grant of this authority without the necessity of passing a new bill during each year of the emergency.

Mr. BROWN. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I am very glad to yield to the Senator from Michigan.

Mr. BROWN. I introduced the bill which became the act of May 31, 1941, which is the act to which section 901 is addressed, and this year I introduced the

bill which has just passed both Houses, to cover the season of 1942.

I wish to explain the situation to the Senator from Wyoming, with the hope that he may agree to strike title IX from the bill. The situation is a peculiar one. The report shows that Canadian vessels in 1941 carried 700,000 tons of ore. I may say to the Senator that is less than 1 percent of the ore that was carried last year on the Great Lakes, when some 88,000,000 tons were carried by all ships.

In 1941, when the law now in effect came before the Committee on Commerce, it was met with considerable opposition from some of the interests involved. Primarily, other than the Government, two interests are involved, one the shippers—and by that I mean the steamship companies themselves—and the other, labor. The steamship companies dislike to give up the protection which the navigation laws have afforded them because Canadian ships can carry the ore cheaper than can American ships. The sailors dislike to give up the protection afforded them because wages on the Canadian ships are considerably below wages on the American ships. Furthermore, the American ships have what is known as a three-crew law, while the Canadian ships have a two-crew law. That means, with some slight exceptions, that it takes 50 percent more men to operate an American ship than it does to operate a Canadian ship. I may say, generally, that the living conditions, the quarters, the food, and so forth, are very much superior on American ships than on Canadian ships.

Therefore it is not surprising at all, Mr. President, that some of the representatives of the men who appeared before the Commerce Committee at least wanted this suspension of the navigation laws with respect to the carriage of ore on the Great Lakes limited in point of time by the Congress. I therefore agreed, when the Interstate Commerce Commission and the O. P. M. discussed the matter with me, to limit my bill to 1 year. That bill was passed.

This year the same situation arose, and the matter was called to my attention again by representatives of the Interstate Commerce Commission, and particularly by Mr. Budd's organization in O. P. M., and by Mr. Knudsen, who was then the head of O. P. M. All they asked was that we suspend these laws for 1 more year. We did so by an act which a week or 10 days ago passed the Senate by unanimous consent, which was promptly taken up by Judge BLAND, the chairman of the House Committee on the Merchant Marine and Fisheries, which passed the House of Representatives, and is now, I believe, law.

The difference between the amendment contained in title IX and my bill is that before a third extension can be granted—we have covered this situation fully to the end of the navigation season of 1942—we can ascertain what the conditions will be at that time.

I have not had the slightest difficulty in putting that bill through the Senate and through the House, and it seems to



me in this matter, when there is this great difference between wages, between rates of carriage, and between living conditions in the Canadian ships and the American ships, that we ought to leave the situation as the Senate and the House and the President have left it by the enactment of the legislation to which I have referred. I think it is somewhat unfortunate to put the matter in the condition in which it would be placed if the bill reported by the Judiciary Committee should be passed.

I want to say to the Senator from Wyoming that this is one subject with which I think I am thoroughly familiar. I believe we have adequately covered it and that there is no good reason why it is necessary to have title IX in the pending bill. We have taken care of the situation by other legislation, and I am sure that if conditions are such that a further suspension is needed in 1943, we will have no difficulty in writing it into law. I hope the Senator will agree to the amendment which at the appropriate time I will propose to strike out title IX.

Mr. O'MAHONEY. Mr. President, the Senator from Michigan is always very persuasive, but I may say that in this instance, as has already been stated, the powers terminate with the emergency, or 6 months thereafter, and, while we all hope that it may not be necessary to grant this exemption for the year 1943, we all know that, if the war is not terminated, it will be granted. The feeling of the committee was that it would be desirable, in the circumstances, to make as broad a grant as would be wise.

Mr. BROWN. My one point is that I think when the time comes to renew this suspension of the navigation laws with respect to the carriage of ore on the Great Lakes, we ought to give the shippers and sailors an opportunity to appear and present their views and determine whether it is necessary to take such action again.

Mr. O'MAHONEY. I was about to suggest that this bill will have to go to the Judiciary Committee of the House, and no doubt opportunity will be afforded there for any views which the persons for whom the Senator speaks may desire to present.

Mr. President, title X of the bill relating to free postage for soldiers, sailors, and marines, is the reenactment of the law as it existed in the World War. It is designed to provide free postage for those in the military service who are serving outside continental United States. The committee amended it so as to include all military and naval personnel, because, otherwise, it might be interpreted not to include officers and nurses.

Mr. BROOKS. Mr. President—

Mr. O'MAHONEY. I yield to the Senator from Illinois.

Mr. BROOKS. I understand that we are not to offer amendments now, but I contemplate offering one, and I thought it might save time if I might have an explanation, in case there is objection to it.

I intend to offer an amendment to substitute this language:

Ordinary letters written and mailed by soldiers, sailors, marines, and other military and

naval personnel assigned to duty in the United States and outside the continental United States may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General. Letter paper and postage-free envelopes shall be kept on hand and supplied to such soldiers, sailors, marines, and other personnel free of charge in military post offices.

Mr. O'MAHONEY. Mr. President, the committee considered that suggestion. As a matter of fact, the Senator from Arizona [Mr. McFARLAND] called attention to it, because, as I understand, he has pending a bill on the subject.

The feeling of the committee was that the proposal which deals with mail within the United States should not be considered by the Judiciary Committee or in connection with this bill, but should be considered by the Post Office Committee, because the salaries of postmasters are dependent upon the sale of stamps. Many new post offices have been established in connection with cantonments; and the Committee on the Judiciary felt that it would be unwise for it to bring in such a provision as that without having thoroughly gone into the matter with the Post Office Department experts before the Post Office Committee. I will say to the Senator what was said to the Senator from Arizona in the committee meeting—that we feel that the proposal would be more appropriately considered by the Post Office Committee than here.

Mr. BROOKS. I thank the Senator very much.

Mr. O'MAHONEY. Mr. President, the next item, title XI, deals with the naturalization of persons in the armed forces. It is merely to provide for the naturalization, without regard to the present requirements of law, of persons who actually serve in the armed forces. It provides that the application for citizenship may be filed within 1 year after the war shall have terminated. Provision is made, by amendment added by the committee, that a complete record of any proceedings hereunder, together with a copy of the certificate of citizenship, shall be forwarded to and filed by the clerk of a naturalization court in the district of which the petitioner is a resident and be made a part of the record of the court.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Michigan.

Mr. VANDENBERG. This naturalization privilege is confined, by the language of lines 5 and 6, on page 12, to those who serve in the military and naval forces of the United States during the present war. Why should it be limited to the present war? I have in mind some cases of men who served throughout the World War.

Mr. O'MAHONEY. They are covered by the law as it now stands.

Mr. VANDENBERG. They are covered?

Mr. O'MAHONEY. Yes. There are statutes granting this privilege to such persons. This is not a new grant, but, without this section, aliens who serve in this war would not have the same privi-

lege that was extended to those who served in other wars.

Mr. VANDENBERG. The Senator is sure that the aliens of the previous war are covered?

Mr. O'MAHONEY. Oh, yes. Perhaps I should add that it is quite possible that the provisions which we added by way of amendment were not in the old statute, but these provisions merely operate as an enlargement of the statute. I am sure that all aliens who served in previous wars, and who desired to become citizens, have already taken advantage of existing law.

Title XII deals with the acceptance of conditional gifts by the Department of the Treasury. Under the law as it now stands, the Secretary of the Treasury may accept unconditional gifts. Any gifts of money or of other valuables go into the general fund of the Treasury, but in recent months there has been a wave of patriotic desire to make conditional gifts to the Treasury—that is to say, contributions of money for the purpose, say, of building airplanes; contributions for the purpose of building submarines or similar objectives which, in the minds of the donors, seemed to be desirable.

Under the law as it now stands, the Department of the Treasury has no recourse except to enter into long correspondence with the donor because conditional gifts cannot be accepted. The Treasury Department then undertakes to persuade the donor to make the gift without condition, and, as one would naturally imagine, that is not always very successful because the donor cannot understand why his desirable and patriotic objective should not be served. So the purpose of this provision is to give the Secretary of the Treasury authority to accept or to reject such conditional offers of money or other property, real or personal, or services.

Now we come to title XIII, dealing with the coinage of 5-cent pieces. It appears that the Bureau of the Mint has been coining nickels at such a rate that it has consumed nickel in recent months at the rate of 435 tons annually. We were told, for example, that in 1941 in coining the 5-cent pieces we used enough nickel to have produced 16,000 tons of armorplate. That would be enough armorplate for a thousand heavy tanks. Nickel has become one of the most scarce of all the strategic minerals; so the proposal was made to make a new coin which should be one-half silver and one-half copper. The present coin is made of three-fourths copper and one-fourth nickel; so silver would be substituted for all of the nickel and for one-third of the copper in the present 5-cent piece.

It is only proper to say that under the present coinage system, the Treasury makes a seigniorage profit of, I think, 4.8 cents in the coinage of every nickel. Under the new proposal, the seigniorage profit would be reduced to about 1.2 cents. That, of course, is figured upon the value of silver at about 35 cents an ounce. The silver, however, will not be newly acquired silver. The provision in the bill is that the bullion silver now in the Treasury shall be used for this purpose.



After the committee had reported the bill, I received several long-distance telephone calls from the representatives of some vending machines. A long-distance call came in from Chicago. The burden of the plea was that unless the bill were changed in some manner, certain vending machines now in use for selling chocolate bars and gum and other articles of that kind would be rendered useless, because the machines are so constructed as to reject all types of substitutes for the present nickel.

Copper slugs, brass slugs, Canadian nickels, Mexican nickels, and coins of that kind, are rejected in these vending machines. Some of the machines are so constructed as to reject a coin if it is too wide, some if it is too thick, and certain other factors enter into it. I asked the Director of the Mint to give me a statement of the devices which are used in the various vending machines, and they are six in number, depending on these factors:

First. Diameter.

Second. Thickness.

Third. Weight.

Fourth. Magnetic properties.

Fifth. A feeler device, which registers the relief on the face of a coin.

Sixth. A device which is based upon electrical resistance.

The feeler device will reject an ordinary liberty nickel, or a nickel which has been worn so thin through use that the feeler does not catch the relief.

It was not the desire of the committee to put any vending machines out of business, so, after some consideration, a new provision was devised, on page 17, in line 10, to strike out the period and add a colon and to insert the following proviso:

*Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals if such action would be in the public interest.

The purpose of the amendment, which I send to the desk, which is to be regarded as part of the committee amendment, is merely to authorize the Director of the Mint, with the concurrence of the Secretary of the Treasury and the Chairman of the War Production Board, to introduce any new metal which will make the new coin subject to the factor of electrical resistance.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MURDOCK. It seems to me, with reference to this coinage provision, that we are overlooking something which should not be overlooked. Notwithstanding the fact that the Government buys silver and has bought silver at variable prices under the Silver Purchase Act and under the Gold Reserve Act, in the amendment we are considering today, including the modification now presented by the Senator from Wyoming, we are not taking into account at all the monetary value of the silver which goes into the proposed nickel. Perhaps I was a little derelict, as a member of the Committee on the Judiciary, in not calling that fact to the attention of the committee when

we were considering the bill, but it seems to me that inasmuch as the content of the silver dollar is fixed by statute, certainly we should pass no law with reference to nickels or any other subsidiary coinage which does not take into consideration the monetary value of the silver going into the coin.

Mr. O'MAHONEY. Mr. President, I am informed that in the silver dollar there are 371.25 grains of silver. Of course, the monetary value of the silver is created by statute, and it is in excess of the actual intrinsic value of the silver.

Mr. MURDOCK. I would not agree with the Senator's statement. I think he is overlooking something.

Mr. O'MAHONEY. I may be in error about it.

Mr. MURDOCK. What we are all overlooking is the fact that, as the Senator has stated, the dollar has in it a fixed number of grains, I suggest to the Senator from Wyoming that if we adopt the amendment as it appears in the bill, or as it is now modified by his amendment, we may find, though I have not checked with the Director of the Mint on the matter, that we are putting more silver into a nickel than we have in the dime; and certainly the Congress of the United States does not want to do that.

I suggest to the Senator from Wyoming that we probably have not time to go into the technicalities of this matter today, but I hope that when the conferees consider the bill, or when the bill goes before the Committee on the Judiciary of the House, this subject will be called to their attention, and that consideration will be given to the monetary value of silver in fixing the weight of silver which goes into the 5-cent piece.

Mr. O'MAHONEY. I may say that I think the suggestion of the Senator is altogether appropriate, and if it is necessary to go into this matter further, of course the Judiciary Committee of the House will do so. But since the Senator referred to the dime, the fact of the matter is that, as I understand, the new nickel would contain more silver than the dime does. I am advised that the present silver content of the dime is 34.72 grains, while the new 5-cent piece would contain 38.58 grains. But the value of the money is in the stamp placed upon it by the United States, and the purpose of the pending provision is to save nickel, which is highly important in the war effort, and the terms of the amendment place a specific limitation upon the period during which the power may be exercised.

Mr. REED. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. REED. I wish to ask the Senator if the report of the committee does not, as I am informed, also suggest that there will be about 2,000,000 pounds of copper saved?

Mr. O'MAHONEY. There will be 870,000 pounds of copper saved, and 870,000 pounds of nickel.

Mr. REED. Is the Senator sure he is correct in those figures?

Mr. O'MAHONEY. That is what the committee was advised, and I think the

Senator will find that statement in the report.

Mr. REED. The Rural Electrification Administration is now contemplating building an unnecessary transmission line for sending electricity from the Pensacola Dam in Oklahoma to an aluminum plant in Arkansas. Every one, including the War Department, says the additional transmission line is absolutely unnecessary that the aluminum plant in Arkansas can secure otherwise all the power necessary to operate it; yet the Rural Electrification Administration, plus the Federal Power Commission, insist on their position in the face of objection by the State authorities of Arkansas, and in face of the belief by everyone competent to form an opinion that the additional transmission line is unnecessary. It will take more than 2,000,000 pounds of copper.

Mr. President, I ask the Senator from Wyoming, What is the use of saving a million pounds of copper if we can save that much by changing the composition of the nickel, and then turn around and waste 2,000,000 pounds of copper in the construction of a wholly unnecessary transmission line, something which was never contemplated in the creation of the Rural Electrification Agency?

Mr. O'MAHONEY. The Judiciary Committee had no connection with that particular activity, so, of course, we did not consider it.

Mr. REED. The able Senator from Wyoming is so fair and so candid, and generally has so much common sense, that I simply wanted to ask him the question.

Mr. O'MAHONEY. I thank the Senator for the qualified compliment. [Laughter.]

Mr. REED. Mr. President, I withdraw the qualification, and will say that the Senator always has so much common sense.

Mr. O'MAHONEY. Let the RECORD show that the word "generally" is stricken from the remarks of the Senator from Kansas. [Laughter.]

Mr. BROWN. Mr. President, will the Senator yield to me?

Mr. O'MAHONEY. I yield to the Senator from Michigan.

Mr. BROWN. A good many Senators are interested in knowing whether we shall take up the conference report on the price-control measure this afternoon. The majority leader and myself have just ascertained that it is probable the House will not finish debate until 3:30 or 4 o'clock, and there probably will be two roll calls, which will occupy roughly an hour and a half or thereabouts. Therefore, we have decided that we shall not take up the conference report on the price-control measure until tomorrow.

Mr. O'MAHONEY. Mr. President, I am very grateful to the Senator from Michigan for that announcement, because I should like to have an opportunity to read the House debate before we take up the report in the Senate.

Mr. BROWN. I will say the Senator from Wyoming knows too much about it now. [Laughter.]



Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ELLENDER. I was not in the Chamber when discussion took place with respect to title XI dealing with the question of naturalization. As I read the language of title XI of the bill, it provides that virtually all the naturalization laws on the statute books shall be suspended. Am I correct in that understanding?

Mr. O'MAHONEY. Oh, no; not at all.

Mr. ELLENDER. Mr. President, it strikes me that under title XI any alien who is in the United States on a visa, who wanted to become a citizen of the United States, would simply have to join the armed forces of the country, without any specified time being named, and he would become a citizen. Am I correct in that conclusion?

Mr. O'MAHONEY. No; I do not think so. I do not think the title is so broad as that. It merely provides that, notwithstanding provisions of other laws, any alien, regardless of age, who served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized. The committee felt that honorable service in the war under these circumstances was a sufficient application for citizenship.

Mr. ELLENDER. I understand there are in the United States today a goodly number of visitors from other countries. Those persons did not come here with the idea at first of becoming citizens, but if I interpret the title correctly, if such persons shall serve in the armed forces of the country for a week, then, by virtue of such service, they shall become citizens.

Mr. O'MAHONEY. Mr. President, I think the Senator is picking out an extraordinarily unlikely incident to condemn a broad grant which is very desirable. Any alien who enlists does not, by reason of the fact that he is an alien, have the right to leave the service, and any alien who may be drafted does not have the right to withdraw from the service. Such a person could not withdraw. Such a person would have to be discharged, and if he were honorably discharged for proper cause, then why should he be denied the privilege of becoming a citizen?

Mr. ELLENDER. Has the Senator any facts or figures to show about how many persons would be covered or affected by this title?

Mr. O'MAHONEY. I do not know.

Mr. ELLENDER. The Senator does not have the figures?

Mr. O'MAHONEY. I do not have any idea. But it was the unanimous feeling of the committee that any person who served in the armed forces, and who met the conditions herein set forth, and presented the affidavits which are required, should be granted the privilege of becoming a citizen.

Mr. ELLENDER. As I read the provision virtually the entire naturalization law is suspended.

Mr. O'MAHONEY. The requirements are suspended with respect to the particular persons, yes; but otherwise not.

Mr. ELLENDER. That is what I am speaking of. It is a good way for such aliens to become citizens.

Mr. O'MAHONEY. Mr. President, the final title, title XV, is merely the technical provision which places a limit on the powers granted, and provides for the short title of the bill. Unless otherwise specifically provided in the act itself, all the powers are to expire at least 6 months after the termination of the war.

Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the committee amendments.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. VANDENBERG. The first committee amendment is at the top of page 2, and limits the exercise of authority over motor carriers to the extent necessary to facilitate the prosecution of the war. I wish to suggest to the Senator a further limitation at that point, and I am hopeful of hospitality, because I am substantially following the suggestion which the Senator himself made on page 11 of the hearings. The Senator is aware of the fact that there is very definite controversy at the present time in the Interstate Commerce Committee of the Senate with respect to legislation granting the I. C. C. authority to control the weights of trucks, and so forth, an authority which now rests with the States. It seems to me we may well await the conclusion of that controversy, when that particular proposed legislation shall be reported by the Interstate Commerce Committee.

It appears from the hearings that the spokesmen for the Government, particularly Mr. Cox, the General Counsel of the Office for Emergency Management, asserted that there was no intention of using this blanket power which we are now discussing in the bill for the purposes I have indicated. The Senator from Wyoming suggested in the committee that it would be a very simple matter to protect the situation by an amendment providing that nothing not in harmony with the State laws should be considered to be within the purview of the new authority. Therefore I am asking the Senator whether he would object to an amendment to the pending committee amendment so that it would read:

To the extent necessary to facilitate the prosecution of the war and not in contravention of State laws or regulations.

Mr. O'MAHONEY. Mr. President, in reporting the bill the committee took cognizance of the situation to which the Senator refers, but only with respect to the weight of trucks, by writing into the report the sentence which the Senator will find on page 4:

This provision would not authorize the Commission to set aside State laws or regulations with respect to sizes and weights of motor carriers.

It was the judgment of the committee that that statement of interpretation, together with the amendment which appears on page 2, lines 3 and 4, would be

sufficient. I did not pursue the suggestion which I made in the language quoted by the Senator for fear that in hastily drawing such a provision we might prevent the exercise of authority which really ought to be exercised. It is very difficult to envisage all the provisions of State laws with which it might be necessary to deal.

Mr. VANDENBERG. Mr. President, will the Senator again cite the language in the report to which he refers?

Mr. O'MAHONEY. It is on page 4 of the report, at the top of the page, the second paragraph:

This provision would not authorize the Commission to set aside State laws or regulations with respect to sizes and weights of motor carriers.

So, Mr. President, we have the statements of Mr. Cox and others in the hearings; we have the statement in the report; and we now have the statement made by myself upon the floor, a statement which I am sure will be concurred in by the able Senator from Vermont [Mr. AUSTIN] who sat throughout the consideration of this bill.

Mr. VANDENBERG. The statement made by the Senator is very helpful and persuasive; but if the situation which he defines is the fact, there is certainly no reason why it should not be textually stated. I renew my inquiry to him, and ask him whether he would object to adding, after the word "war" in line 4, on page 2, the words "and not in contravention of State laws or regulations with respect to sizes or weights of motor carriers." The law would then say precisely what the Senator says it says.

Mr. O'MAHONEY. As the Senator now reads the amendment, it is confined to sizes and weights.

Mr. VANDENBERG. That is correct.

Mr. O'MAHONEY. I see no objection to it in that respect. It contains the committee amendment.

Mr. VANDENBERG. That is correct.

Mr. O'MAHONEY. In other words, the Senator is now offering a perfecting amendment?

Mr. VANDENBERG. That is correct.

Mr. REED. Mr. President, let me make a suggestion to the Senator from Michigan with regard to his amendment. Does it say "sizes or weights of motor carriers"?

Mr. VANDENBERG. Yes.

Mr. REED. The language should be "motor vehicles."

Mr. VANDENBERG. Very well, Mr. President. I accept the modification.

I understand that the first committee amendment is pending.

The PRESIDING OFFICER (Mr. BUNKER in the chair). Without objection, the committee amendments will be first considered. The first committee amendment will be stated.

The first amendment of the Committee on the Judiciary was, under the heading "Title I—Emergency powers of the Interstate Commerce Commission over motor carriers," on page 2, line 3, after the word "authority" to insert "to the extent necessary to facilitate the prosecution of the war."



Mr. VANDENBERG. I move to amend the committee amendment by adding, after the word "war," the words "and not in contravention of State laws or regulations with respect to sizes or weights of motor vehicles."

Mr. ANDREWS. Mr. President, I happen to be chairman of a subcommittee which held extensive hearings on the bill to regulate the weights and sizes of trucks in interstate commerce. We have given the subject a great deal of study. As a result of that study one of the things we propose to do is to request the Senate to adopt an amendment to title I of the bill now being discussed by the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, if I may interrupt the Senator, I observe that the amendment which he holds in his hand is of considerable size.

Mr. ANDREWS. It is only a page and a half.

Mr. O'MAHONEY. It contains many words. I should like to read it before the Senator offers it. Will the Senator be good enough to withhold his amendment until after we shall have acted on the committee amendments?

Mr. ANDREWS. I shall be glad to do so; but I should like to have it considered along with the proposed amendment of the Senator from Michigan, because I believe it covers the situation, and might make it unnecessary further to pursue the bill which is before the Interstate Commerce Committee.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator from Florida a question. Is the Senator proposing an amendment to settle this controversy by an amendment to the bill now before the Senate?

Mr. ANDREWS. I do not know that it would settle it, but it would probably make it unnecessary for us further to consider the other bill.

Mr. VANDENBERG. The Senator is proposing to determine the question of whether the States shall give up to the Federal Government their control over trucks in this aspect. That is a question of vivid controversy. The Senator is proposing that we shall settle that question in connection with the pending bill instead of waiting for the other bill.

Mr. ANDREWS. The amendment proposes to transfer to the President of the United States the authority asked for in the bill before the Interstate Commerce Committee. I should like to have the amendment read.

Mr. BARKLEY. Mr. President, let me inquire of the Senator from Florida whether the subcommittee of which he is chairman has acted upon the bill before it.

Mr. ANDREWS. Neither the subcommittee nor the full committee has acted upon this amendment, but it seems to me to offer a solution. I propose to offer it as an amendment to title I. If it should be adopted, it would have much to do with alleviating the situation.

Mr. O'MAHONEY. Mr. President, in this connection I feel that the amendment which the Senator proposes to offer—and I have glanced over it—is of such a nature that, in my opinion and, I am sure, in the opinion of the full com-

mittee, it should not be adopted without hearings and thorough study by the appropriate committee. I therefore feel obliged to object to the adoption of that amendment.

Mr. REED. Mr. President, let me suggest to the Senator from Florida that perhaps he is confusing two things. The bill which his subcommittee is considering would empower the Interstate Commerce Commission to remove undue discrimination against interstate commerce by any State regulation of the size of busses, trucks, and other motor vehicles. The bill before us in a war-powers bill. The bill, which the subcommittee of which the Senator from Florida is chairman is considering, has to do with permanent interstate-commerce law, war or no war. We are considering a war-powers bill. I agree with the Senator from Wyoming; and I hope the Senator from Florida will not confuse the situation.

Mr. ANDREWS. Mr. President, my amendment would be effective only for the duration of the war. However, if the Senator from Wyoming objects to the amendment I will withdraw it. We are trying to alleviate a situation on which we have worked for quite a long time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] to the committee amendment on page 2, line 3.

Mr. WHITE. Mr. President, I hope the amendment of the Senator from Michigan will have the approval of the Senate. The question of the regulation of the weights and sizes of motor vehicles has been the subject of extended study by a subcommittee of the Interstate Commerce Committee of the Senate. It is a highly controversial matter. Interested parties have come to Washington from all over the United States to testify before the committee. The problem deserves consideration by itself. I think it would be altogether in the interest of the pending legislation if the amendment of the Senator from Michigan were adopted.

Mr. AUSTIN. Mr. President, I shall take no time at all except to say that when the bill was under consideration by the subcommittee this very language was considered; and, as a matter of policy, the committee thought it better to put the language into the report rather than to put it into the bill. I think the original report contains the language in my handwriting, as an addition to it. I am very much in favor of having it added to the bill.

Mr. BARKLEY. Mr. President, I merely wish to state that I was interested in the matter because my State is one of the States which has sent representatives here to testify before the subcommittee holding hearings on the bill referred to by the Senator from Florida [Mr. ANDREWS]. I was satisfied with the report of the committee and the expression of opinion of the representatives of the various departments through which the bill had been cleared, that the authority here conferred gave the Interstate Commerce Commission no jurisdiction over the weight and size of motor vehicles.

Inasmuch as an amendment has been offered, and it seems to me to be only a clarification of what was in the report, of course I favor the adoption of the amendment, and I am glad the Senator from Wyoming has agreed to its adoption.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Michigan [Mr. VANDENBERG] to the committee amendment is agreed to; and, without objection, the committee amendment, as amended, is agreed to.

The next amendment of the committee will be stated.

The CHIEF CLERK. On page 2, line 14, after the word "suspend" it is proposed to strike out the comma, the word "remove," and the comma following it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment of the committee will be stated.

The CHIEF CLERK. On page 3, line 10, after the word "statute," it is proposed to strike out the colon and the words "Provided, That upon," and to insert a comma and the words "and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the act of July 2, 1940 (54 Stat. 712). Upon."

Mr. DANAHER. Mr. President, I send to the desk a substitute amendment which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 10, after the word "statute," it is proposed to strike out the colon, in lieu thereof to insert a period, and to strike out the following words: "and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the act of July 2, 1940 (54 Stat. 712)."

Mr. DANAHER. Mr. President, I have hitherto fully explained the reasons why I offer the proposed substitute amendment. With it not only should we fall back upon section 2 of the act of October 16, 1941, as to personal property and machinery, but we should otherwise be bound by the general law with respect to the disposition of real property or any interest therein.

Mr. BARKLEY. Mr. President, let me make an inquiry. As I understand the amendment offered by the Senator from Connecticut it is simply to strike out the committee amendment in lines 10 to 13. The question naturally and automatically arises in voting upon the adoption of the committee amendment; is that correct? It is not necessary to agree to an amendment in order to strike out a committee amendment.

Mr. DANAHER. I have offered the amendment as a substitute.

Mr. BARKLEY. But it is not necessary to offer a substitute to a committee amendment, simply for the purpose of striking out the committee amendment. The question is simply whether the committee amendment shall be adopted.

Mr. DANAHER. I think the Senator's point is well taken in that particular. So long as we carry out the full import of the understanding previously had in a colloquy which took place in the



absence of the Senator from Kentucky, and as the Senator from Wyoming and the Senator from Vermont understood, I am sure my purpose is achieved. I think the point raised by the Senator from Kentucky is well taken.

Mr. O'MAHONEY. Mr. President, the question is presented on the committee amendment. Any Senator who desires to sustain the position taken by the Senator from Connecticut should vote "no" on the committee amendment. I rise merely to express the hope that no Senator will be so inclined to vote. As I said when the Senator from Connecticut originally stated his feeling upon the matter, the provision now before the Senate merely has the effect of conveying to the Secretary of the Navy and to certain boards, the power which the present law grants to the Secretary of War. The committee inserted the amendment in order to grant the power to dispose of property which may be taken over by condemnation. The amendment provides that the power of disposition shall be such as is already contained in the act of 1940 covering the powers of the Secretary of War. The committee was very strongly of the opinion that in the emergency it is necessary to grant such power, and the committee hopes that the amendment reported by it will be agreed to.

Mr. DANAHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|              |                 |               |
|--------------|-----------------|---------------|
| Alken        | Gillette        | Overton       |
| Andrews      | Glass           | Pepper        |
| Austin       | Green           | Radcliffe     |
| Bailey       | Guffey          | Reed          |
| Ball         | Gurney          | Reynolds      |
| Bankhead     | Hayden          | Rosier        |
| Barkley      | Herring         | Russell       |
| Bilbo        | Hill            | Shipstead     |
| Bone         | Holman          | Smathers      |
| Brewster     | Johnson, Calif. | Smith         |
| Brooks       | Johnson, Colo.  | Stewart       |
| Brown        | Kilgore         | Taft          |
| Bulow        | La Follette     | Thomas, Idaho |
| Bunker       | Langer          | Thomas, Okla. |
| Burton       | Lee             | Thomas, Utah  |
| Butler       | Lodge           | Tobey         |
| Byrd         | Lucas           | Truman        |
| Capper       | McFarland       | Tunnell       |
| Caraway      | McKellar        | Tydings       |
| Chandler     | McNary          | Vandenberg    |
| Chavez       | Maloney         | Van Nuys      |
| Clark, Idaho | Maybank         | Wagner        |
| Clark, Mo.   | Mead            | Wallgren      |
| Connally     | Millikin        | Walsh         |
| Danaher      | Murdock         | Wheeler       |
| Davis        | Murray          | White         |
| Downey       | Norris          | Wiley         |
| Doxey        | Nye             | Willis        |
| Ellender     | O'Daniel        |               |
| Gerry        | O'Mahoney       |               |

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment.

Mr. DANAHER. Mr. President, in discussing the pending committee amendment it seems important for Senators to direct their attention to lines 10 to 13, inclusive, on page 3 of the pending bill. The language contained in those three lines authorizes any agency or any officer or any Cabinet head who has condemned property for war purposes to make any disposition whatever that he chooses of

the property so taken. There is no limitation whatever upon the exercise of the power and authority that would be conferred by this language.

While the Senator from Wyoming has told the Senate that the disposition is to be made in accordance with section 1 (b) of the act of July 2, 1940, there is no limitation contained in section 1 (b) of the act of July 2, 1940. Quite the contrary, Mr. President, that language, insofar as it is pertinent, says:

When he—

Meaning the seizing officer—

deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, any such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932.

Mr. President, if you will examine the act of June 30, 1932, you will find that the only restriction or limitation contained in section 321 provides that no property shall be leased except for a money consideration. The net result is that when, under the guise of the exercise of war powers—necessary war powers, I concede—there shall be a taking, a condemnation, of plant and structures, or facilities, and all the personal property therein, there is no limitation on the right of the seizing officer to lease that property to anybody in this wide world for any length of time he may desire. He can lease it indefinitely; he can lease it for 40 years; he can lease it for 50 years. The only requirement is that if he leases it he shall lease it for a money consideration. Otherwise, it is on whatever terms or conditions the seizing officer chooses to impose.

Mr. President, if the Defense Metals Corporation or the Rubber Reserve Corporation or any one of the R. F. C. agencies, or if some officer of a board or commission downtown decides that he wants to condemn some real estate, and he says it is necessary as a proper exercise of the war powers that he do so, he may take that property away from its true owner and may lease it or otherwise dispose of it—the bill uses the word "otherwise"—without any limitation, and, above all, there is not even the semblance of protection to the original, the true owner of the property to recapture it or the right of an option for him to get his own property back when the war is over. It seems to me that so enormous a scope of power, so extraordinary a grant, ought to be made to coincide with the law which we ourselves have hitherto down through the years found necessary. There are over 50 statutes on the books which deal with the disposition of properties belonging to the United States Government. Limitations have been found necessary, through experience. We can envisage the situation of an officer of the Maritime Commission going to Philadelphia or New York or New Orleans and taking over all the docks and wharves and warehouses in a given area, and then turning around and leasing them to any person or corporation he chooses for an indefinite term. It is no answer to say that the pending bill would impose a limitation by

virtue of the clause terminating the life of the bill. That in no way would affect the life of the lease to be given thereafter or thereunder as the case may be.

Moreover, Mr. President, if one of the seizing officers thinks that he wants all the machinery of the Ford Motor Car Co.'s plant, he can take all that machinery and turn it over to some creature Government corporation and allow that corporation to keep it indefinitely. He can turn it over to another manufacturer and the original owner of the dies and tools and jigs and gages and all the other machinery in the plant cannot even recapture the property.

When Congress considered last fall the act known as S. 1579, Public Law 274, Seventy-seventh Congress, chapter 445, the act of October 16, 1941, we recognized at that time what the equities of the owners of their property shall be. We expressly provided that—

Wherever the President determines that property acquired under this act and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner; but, in any event, property so acquired and retained shall, if the owner desires the property and pays the fair value thereof, be returned to the owner not later than December 31, 1943.

Under the pending bill any property in the United States, real or personal or both, could be seized for any purpose whatever so long as it was for a wartime use, and turned over to any agency or any individual or any other Government department, without limitation.

Mr. President, we have some obligation in this situation. The Constitution, in article IV, section 3, provides:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

Mr. President, it has become axiomatic in administrative law that the Executive has no authority to dispose of property of the United States or even to transfer it from one department to another without the consent of the Congress and without our fixing standards by which to gage and test such action, but here we have no such standards and no limitations of any kind. I submit that the grant of power sought in the pending legislation is wholly unconstitutional.

We have a duty, Mr. President, even though it be wartime, to see to it that the ordinary incidents of the ownership of property are protected. If we are going to disregard them, if we are going to have no interest whatever in the preservation of the principle of private ownership of property in this country, then let us have done with all of it; let us understand where we are headed once and for all; but when, in order simply to protect whatever is properly to be sought under this bill, we have to do no more than strike out these three lines, which would give the carte blanche power claimed in this committee amendment, it seems to me fundamental and necessary that we do just that—eliminate these harmful words—and then the Government will be obliged at least to confine itself and to



conform itself to the standards which the Congress has hitherto fixed and found desirable and necessary down through the years, despite the wars in which we were engaged, and the emergencies and the exigencies of past situations.

I submit that the language of the pending committee amendment has not been adequately canvassed; it will not be found that any need for it has been established in the committee report; it will not be found that there is any justification whatever for it; and yet we are asked to turn over the entire control of any property whatever in the United States to some Government agency or corporation, limited solely by the condition that while owned by the Government, it is to be devoted to a war use; it is to be taken for a war purpose; but, once taken, there is no limitation whatever upon its disposition.

Mr. AUSTIN. Mr. President, I should like to ask the Senator from Connecticut a question.

Mr. DANAHER. I shall be happy to yield.

Mr. AUSTIN. The question has to do with the effect of the Senator's amendment, which I at once admit I favor; but I think the RECORD should show what the Senator's opinion is respecting the power of the agency after it has acquired both real and personal property. In other words, my question is, Would rejecting this committee amendment diminish the authority of the agency to use the property itself, or to lease it, or to put someone in control to operate the property without a lease?

Mr. DANAHER. Mr. President, the answer is, positively no. The powers of any agency which takes the property are limited solely by the language that the taking shall be deemed necessary for military, naval or war purposes—that is the first limitation—and that if it is taken pursuant to condemnation, then the proceedings shall be had in accordance with the act of August 1, 1888, or any other applicable Federal statute. Granted that any two of those three conditions are met—namely, the essential being the necessity for war purposes, and then the method may follow, either by condemnation under the act of 1888, or in accordance with section 9 of the Conscriptio Act, or some other applicable Federal statute—there would be no limitation on the use; there would be no diminution of the power to operate the property. Quite the contrary, the property could be devoted to whatever is a proper wartime purpose. The Senator from Vermont will find that there is no limitation in the bill in the event lines 11, 12, and 13 shall be eliminated. What is eliminated as a result of striking out those words is the unlimited power to dispose of the property irrespective of any congressional standard whatever—that is what is involved—and, in the event of disposition under lease, for a period without limitation of any kind.

I submit that that is a dangerous transgression of the constitutional prerogative, and that it flies straight in the face of our long-time experience in our effort at self-government in this country.

I most certainly say that it is wholly contrary to the preservation of the private ownership of property in the United States in wartime or any other time; and I respectfully ask that the committee amendment be rejected.

I ask for the yeas and nays on the adoption of the committee amendment.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, I have a feeling that the Senator from Connecticut [Mr. DANAHER] misconceives the purpose and effect of this provision. I think he is dealing in his mind with the Requisitioning Act rather than with the act which authorizes the acquisition of property.

It is true that the Requisitioning Act, namely, the act of October 16, 1941, contains a recapture clause. The reason for that is perfectly simple. The Requisitioning Act of October 16, 1941, was intended to authorize the requisitioning of personal property, and therefore it was provided, in section 2, that—

In any event, property so acquired and retained shall, if the owner desires the property and pays the fair value thereof, be returned to the owner not later than December 31, 1943.

That had to do with the requisitioning of personal property, but here we are dealing with the condemnation of real property, and the taking of personal property that may be incident thereto.

When the property is condemned, it becomes the property of the United States. The committee bill provides that such property may be condemned when it is found that it is necessary to do so in the interest of the national defense, and for no other purpose.

Mr. DANAHER. Mr. President—

Mr. O'MAHONEY. In the act of July 2, 1940, we gave this precise power to the Secretary of War; and, as I said to the Senator from Connecticut, his quarrel is not so much with the bill now before us; his quarrel is with the power we have granted to the Secretary of War. The Judiciary Committee desires to extend the same power of condemnation to the Secretary of the Navy and to such others as the President may designate, because the committee was convinced that it is essential in the prosecution of the war that such power shall be granted.

The Senator from Connecticut objects to the fact that the committee amendment authorizes the agency which has taken it over to "dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the act of July 2, 1940." The purpose of that amendment is plain. It may be necessary, it may be absolutely essential to the prosecution of the war, that the Secretary of the Navy enter into a lease. It may be necessary for him to sell part of the land he has taken over. Why should that power be withdrawn or denied to him—a power which is already exercised by the Secretary of War?

So, Mr. President, I hope that the argument of the Senator from Connecticut will not be too persuasive, and that the amendment of the committee will be accepted.

Mr. DANAHER and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield, and, if so, to whom?

Mr. O'MAHONEY. I yield first to the Senator from Connecticut, since he rose first.

Mr. DANAHER. Mr. President, inviting the Senator's attention to the act of October 16, 1941, in section 1 thereof, did we not provide a method by which the President might condemn personal property or machinery whenever he wanted to do so?

Mr. O'MAHONEY. Certainly; but we were dealing with personal property.

Mr. DANAHER. That is true. In section 2 we provided that if property were so acquired, the owner, under a recapture clause, would have a certain limited period, at his option, in which to recover his own property did we not?

Mr. O'MAHONEY. That is correct.

Mr. DANAHER. Then, why did we provide that he should get his property back under section 2, except that we thought it would be fair and right and equitable?

Mr. O'MAHONEY. Because that act was dealing expressly with personal property, and with personal property only. The pending measure is dealing with real property, and with personal property only as an incident. The Senator now asks that the powers of the Secretary of the Navy to lease the real property which has been condemned shall be withdrawn because he thinks, forsooth, that in connection with some personal property there may be some technicality.

Mr. DANAHER. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. Certainly.

Mr. DANAHER. Why should there be any difference in principle? Why should we say that we will not now give to the owner a right to get his property back if taken under title 2 of the pending bill?

Mr. O'MAHONEY. In the case of personal property the need for the machinery, the need for the tools, was only temporary, and no great expenditure of money was involved; but in the case of the condemnation of real property the title has passed, and the owner has been paid a fair, proper price, determined in the regular way. Why, then, should we handicap the war effort?

Mr. DANAHER. There is no question of handicapping the war effort in any way whatever.

Mr. O'MAHONEY. There is, because the Senator wants to withdraw the power to dispose of, to sell, and to lease.

Mr. DANAHER. Assuming that under the act of October 16, 1941, we got all the machine tools which are in Pratt & Whitney's aircraft plant, and we wanted to give them to the Omaha plant of the Martin Co., could we have seized them in furtherance of the war purpose and turned them over to the Omaha plant under the act of 1941?

Mr. O'MAHONEY. That could not be done under the old law.

Mr. DANAHER. No; not under the old law, but under the act of October 1941. That was why we passed it, so that we could do just that; was it not?



Mr. O'MAHONEY. The Senator is again referring to machine tools.

Mr. DANAHER. The Senator from Wyoming may ask the lawyer seated at his side if he does not care to answer the question himself, but did we not pass the act of October 16, 1941, for the express purpose of making it possible to take machine tools from one plant, if we needed them, and devote them to a war purpose?

Mr. O'MAHONEY. Certainly; I have said that over and over again.

Mr. DANAHER. If it was fair and right that we give the owner the right to recapture, at his option, his own personal property, why is not the same principle applicable to title 2 of the proposed act, where we find the words "to acquire by condemnation any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith"?

Why should he not have the same right to get back his own docks and wharves, his shipways and what is on them, to get back his own factory, his own machines, and to pay the fair value thereof at the end of the war, instead of having them turned over to some Government agency to operate, or instead of having them turned over to some competitor to operate? What is the difference in principle?

Mr. O'MAHONEY. The Senator misconceives the whole purpose of the bill. The power to take over personal property which is needed as personal property is extended in the act of October 16, 1941, and is not changed. If it were desired to do what the Senator has just described, the official involved, the Secretary of War or the Secretary of the Navy, would not proceed under the provision which the Senator seeks to change; he would proceed under the requisitioning act. The other provision is merely incidental, is merely designed to overcome certain deficiencies which appeared in the old act of 1917, when uncertainties arose because, for example, there was some personal property which the owner did not want, and it was on the real property. Was it in or was it out? How about this and how about that? We are just clearing the matter up. The Senator wants to go beyond that and strike out the provision giving the Secretary power to deal with real property.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. I desire to inquire of the Senator whether I understand the matter accurately. Heretofore, we have given the Secretary of War power to proceed to condemn property needed by the War Department for national defense. The Secretary of the Navy, and other agencies, do not have that authority to the same extent to which it is enjoyed by the Secretary of War. The pending bill confers upon the Secretary of the Navy and such other agencies as the President may designate the same authority to take over property which the Secretary of War now enjoys. That is true, is it not?

Mr. O'MAHONEY. That is correct.

Mr. BARKLEY. The amendment authorizes the Secretary of the Navy or the other agencies, after having taken over the property, to dispose of it by lease, sale, or otherwise, as provided for in the section of the law referred to. The difference between the present situation and the situation involved in the act of 1941, as I understand it, is that in that act we were giving the Government the authority to go out generally and take personal property independent of real estate. We might go into a factory and take machine tools, and either use them there, or remove them to some other place and use them. Now we are not dealing generally with the power of the Government to go out and take personal property, but wherever the Government, under the law, seeks to take over or acquire real estate, and finds personal property on the real estate, it would have the same power to take the personal property located on the real estate that it has to take the real estate itself. That is true, is it not?

Mr. O'MAHONEY. That is correct.

Mr. BARKLEY. Having taken the real estate and the personal property located on it, the amendment merely gives them authority to dispose of it after the Government has finished its use of it.

Mr. O'MAHONEY. The Senator is quite right.

Mr. BARKLEY. It creates quite a different situation from the authority to go out and acquire personal property generally, without having any connection with real estate the Government might need.

Mr. O'MAHONEY. That is correct.

Mr. CHANDLER. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. CHANDLER. I should like to supplement what my colleague has said, and call to the attention of the Senator the act of October 16, 1941, which I reported from the Senate Committee on Military Affairs, and sponsored on the floor to its passage. As the Senator from Wyoming has said, that was a bill to requisition personal property. In it we required the President of the United States to exhaust himself by trying to make arrangements to get the property which the Government desired for the national defense. We went further and provided that the need must be so urgent and impending as to admit of no delay. It is an entirely different proposition from the one now before us, in which we seek to get real property, and if we find a building on it, or erect a building on it, then we cannot very well turn that back to the seller, after we put a War Department building on it, perhaps. We provided that in a case where personal property was requisitioned and paid for, if it were still in existence up to a certain time—and we fixed the time—if the one whose personal property we took wanted it back, and paid a fair value for it at the time, he could get it back. I cannot see how we could deliver property back to a man if we had erected a building on it in the meantime. He might want the lot, but the Government might want the lot and the building. In the case of real property,

there would be condemnation, and title would pass; but in the act of October 16, 1941, we expressly provided that the owner could have his personal property back if it were still in existence and he desired to have it and was willing to pay a fair market value for it. It was merely a recapture proposition, in fairness to the man who owned personal property and might prefer to have the property back rather than money.

Mr. O'MAHONEY. I understand exactly what the Senator from Connecticut has in mind, I think, but he is going altogether too far in his argument. I have no objection to the recapture of personal property. I should like to make a suggestion to the Senator from Connecticut and the Senator from Vermont, which would accomplish everything the Senator from Connecticut has in mind, without in any manner handicapping the essential war power of the Government. As I stated at the beginning, I feel that the Senator from Connecticut has confused the act of Congress dealing with personal property with the act dealing with real property. The pending bill gives the Secretary of War and the Secretary of the Navy and the others mentioned the authority to condemn certain attached personal property, together with the real property, where it is found essential to do so; but I have no objection, if the Senator from Vermont and the other members of the Committee on the Judiciary have none, to providing exactly the same recapture provision, as far as personal property is concerned, that is contained in the act of October 16, 1941. So that after we have disposed of the committee amendments, I should be very glad, if it shall be agreeable to the Senator from Vermont, to offer as an amendment a modification of section 2 of the act of October 16, 1941. The modification would read as follows:

Wherever the President determines that movable personal—

"Movable personal" are the only two words I am adding at that point—

movable personal property acquired under this act and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property, and pays the fair value thereof, return such property to the owner; but, in any event, property so acquired and retained shall, if the owner desires the property and pays the fair value thereof, be returned to the owner not later than the end of the war.

I am changing the date from December 31, 1943, to the end of the war. I may suggest that the Senator from Vermont [Mr. AUSTIN] and the Senator from Connecticut [Mr. DANAHER] consult with the expert here with respect to that language, and perhaps we may add it later on as an independent amendment.

Mr. AUSTIN. Mr. President, the first thought which comes to me is that the subject matter of the act of October 16, 1941, was personal property of a tangible character—machine tools and similar things—whereas the personal property which is included in title II may extend to appurtenances which are intangible,



easements, such as water rights, and riparian rights, and drainage—innumerable things that are appurtenant to the real estate, and the addition of section 2, adjusted to the text of title II, would not, I think, be capable of performance with respect to easements which are inseparable from the real estate, which are a part of it, such as access, egress, and water. I cannot think of them all, but there are many personal properties which are appurtenant to real estate or land which I think are incapable of being separated from the land and handled in the manner provided in the act of October 16, 1941.

Is that a valid objection to the Senator's proposal?

Mr. O'MAHONEY. Mr. President, I think the objection is a valid one. I made the conditional offer, let me say, simply in an excess of good nature and in recognition of the undoubted sincerity and good purpose of the Senator from Connecticut, and since the Senator from Vermont, who is a member of the Judiciary Committee, which gave a great deal of attention to this matter, has correctly pointed out that there are weaknesses in my suggestion, I think I shall withdraw the suggestion and merely ask the Senate to pass upon the amendment as it was offered by the committee.

Mr. DANAHER. Mr. President, before the Senator takes his seat, will he please tell me and tell the Senate what disposition of the property to be seized under section 2 would be interfered with if the language in lines 11, 12, and 13, on page 3, were stricken out?

Mr. O'MAHONEY. The leasing of real property for the purpose of having a private company operate a shipyard. The leasing of real property to the Defense Plant Corporation, or to some beneficiary of the Defense Plant Corporation, to construct and to operate a war plant. Numerous other instances would suggest themselves to mind.

Mr. DANAHER. The Senator, of course, is talking about a shipyard which the Government might seize under section 2, is he not?

Mr. O'MAHONEY. Not at all.

Mr. DANAHER. No?

Mr. O'MAHONEY. No; not at all.

Mr. DANAHER. That is what the section deals with—condemnation of the property.

Mr. O'MAHONEY. We are dealing with the condemnation of real property. It might be altogether unimproved, and there might be 2 or 3 acres on the outskirts which, as time passed on, were not perhaps needed, and they, having been condemned, and the owner having been paid, a proper consideration having been passed, there is no need whatsoever to attach the condition which the Senator has in mind.

Mr. DANAHER. Does the Senator understand that if the Government actually does seize property, whether it be shipyards or anything else, it may lease to private interests for operation the property so seized?

Mr. O'MAHONEY. Mr. President, I object to the use of the word "seize" in those instances—

Mr. DANAHER. Let us use the word "condemn" then.

Mr. O'MAHONEY. Because we are talking about war condemnation, and because we are engaged in a war which demands the complete and unified action of the people of this country. For my part, I feel that to raise obstacles of this kind to the exercise of power over real property is to lose sight of the ultimate objective, which must be before our minds always.

Mr. DANAHER. Mr. President, with all due courtesy and respect to the Senator from Wyoming, may we recur, please, to my question? If the Government condemns private property for Government wartime purposes, is it the Senator's understanding that it may lease the property so seized to a private corporation?

Mr. O'MAHONEY. That could be done. It could be leased to a Government corporation. It could be handled in innumerable ways. It would be impossible, I think, for the Senator and myself to take the whole afternoon and canvass all the possibilities under the words of this amendment.

Mr. DANAHER. Mr. President, I should not want the Senator from Wyoming to fear that we are obstructing the war effort while we do so, but I should like to canvass the only possibility we have discussed. I should like to know whether the Senator feels that there should be provided some limitation as to time in the leasing of the private property so condemned by the Government to some other operating agency.

Mr. O'MAHONEY. Mr. President, I do not think so, because I can easily conceive the desirability, indeed the necessity, of making a long-term lease in order to provide the proper incentive for the operation of the property which is condemned.

Mr. DANAHER. Will the Senator please tell the Senate where in existing law there is anything to prohibit a Government agency from doing that very thing.

Mr. O'MAHONEY. Mr. President, it is difficult for me to undertake to follow the Senator now. My argument all along has been that the act of 1940 gives the Secretary of War the power which under this amendment the Judiciary Committee recommends for other agencies of the Government.

Mr. DANAHER. Mr. President, of course, the Senator is asking us to adopt this language on the ground that it is needed for some purpose, is he not?

Mr. O'MAHONEY. Precisely.

Mr. DANAHER. And if the existing law already covers the point in question we do not need the language, do we?

Mr. O'MAHONEY. The existing law covers the situation only so far as the Secretary of War is concerned. The Senator from Connecticut desires to deny the power to the Secretary of the Navy.

Mr. DANAHER. Mr. President, taking the floor in my own right now, I respectfully suggest to both the Senator from Kentucky [Mr. BARKLEY] and the Senator from Wyoming [Mr. O'MAHONEY], who exchanged acquiescence a few

minutes ago on the point, that neither of them apparently has read, recently at least, the 1940 act. Neither of them apparently realizes that it has nothing whatever to do with this situation.

Mr. BARKLEY. Mr. President, will the Senator from Connecticut be courteous enough to yield to me?

Mr. DANAHER. Yes; I shall be glad to yield.

Mr. BARKLEY. I certainly should like to correct the Senator in his statement that I have not read the act to which he referred.

Mr. DANAHER. I said "lately."

Mr. BARKLEY. Well, lately. I have the act in question before me, and I finished reading it this very minute. I have previously read it on numerous occasions.

Mr. DANAHER. The Senator should have read it before he engaged in the colloquy with the Senator from Wyoming.

Mr. BARKLEY. No; not at all. The act refers—as the Senator knows, and he knows a great many things—to the authority conferred on the Secretary of War to dispose of property which he takes over under the act of 1940.

Mr. DANAHER. Mr. President, I ask the Senator to point out to the Senate one sentence in the act of 1940 under which the Secretary of War "takes over" any property.

Mr. BARKLEY. I am talking about the disposition of property.

Mr. DANAHER. Let the Senator find any section in the act of July 2, 1940, under which the Secretary of War may take over any property.

Mr. BARKLEY. There are none so blind as those who will not see. If the Senator desires to have me read the section, I shall read it.

Mr. DANAHER. Please do so.

Mr. BARKLEY. I read from subsection (b) of section 1:

(b) The Secretary of War is further authorized, with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and section 5, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and, when he deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, and such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the Act of June 30, 1932 (47 Stat. 412).

That subsection deals with the disposition of property which the Secretary of War has in his possession, because he could not lease it, sell it, or otherwise dispose of it unless he had taken possession of it under the law.

As I understand the section we are debating, it would authorize the Secretary of the Navy or other agencies which have taken over property under authority of the President to make the same sort of disposition of it as is provided in subsection (b) of section 1 of the act of 1940.

Mr. DANAHER. Mr. President, the Senator from Kentucky has been talking about an exercise of power by the Secretary of War over facilities, plants, and so



forth, the construction of which the Congress authorized in accordance with section 1. If the Senator will read section 1, he will find that we were asked to appropriate, and did appropriate, several hundred million dollars for the Secretary of War to buy, build, or equip plants and facilities. Of course, if he bought them with our money, if he bought them under an appropriation and authorization by Congress, he had the power to deal with them under subsection (b) which the Senator from Kentucky has read; but in the whole act of July 1940 there will not be found a word about the Secretary of War seizing or condemning any plants, or converting them to Government use. There is not one such word in the whole act. Consequently everything that is said about subsection (b) authorizing the Secretary of War to dispose of property by lease or otherwise has nothing to do with the subject, for the simple reason that he is dealing with governmental property. I read again, with a little different emphasis, the same subsection which the Senator has just read:

The Secretary of War is further authorized, with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and section 5—

There is nothing in it about condemnation. Consequently, Mr. President, we are not simply being asked to extend to the Secretary of the Navy the same powers we extended in that act to the Secretary of War. Quite the contrary. In the pending bill we propose to do something we have never done in wartime, either in the Civil War, the World War, or any other war. Why the insistence that we have the power indefinitely to lease the property we shall condemn from some private owner to another private owner, without any standard created by the Congress, without any advertising or competitive bidding, without any fair or equitable terms, and without any opportunity on the part of the true owner to get back his own property? Why this insistence? If we eliminate lines 11 to 13 inclusive, at least the Secretary of War, the Secretary of the Navy, and every other agency which properly condemns or takes property for Government use for war purposes will be bound by existing safeguards and existing law as to the disposition of the property. Therein lies our protection. Why should there be insistence that this particular language, written as an afterthought in some committee amendment, remain in the bill? I submit, Mr. President, that the Senator from Kentucky and the Senator from Wyoming have no business, as a matter of law or argument, to rely on the act of 1940. I have demonstrated that it has nothing to do with the subject.

In 1941 we provided in the act of October 16 that we were to have the right, in the name of the Government, to take personal property, machines, and the like, out of factories and turn them over to the Government. We provided machinery by which the Government could take title. We provided for just compen-

sation to the owner. We gave him an option to recapture his own property. We gave him an expiration date—1943, I think. At any rate, we protected all the equities. Now it is proposed to authorize the Secretary of War, the Secretary of the Navy, or any other Government agency to take anybody's property, so long as it is asserted that it is for war purposes. The bill does not even say who is to assert what the war purpose is. It does not even say that the President will stand between us and confiscation.

I have no objection to taking property for war purposes. I have no objection to the Government taking the Potomac Electric Power Co. on the ground that it is needed to generate electricity to make aluminum, which would be a war purpose. I have no objection to the Government leasing the property of the Potomac Electric Power Co. for a hundred years. So far as I am personally concerned, I do not care if the company never gets it back. That is what could happen under the proposed language; and if that is what the Senate wants, let it vote for it.

Mr. BARKLEY. Mr. President, I am ready to vote, but I should like to call attention to section 1 of the act of 1940, inasmuch as the Senator from Connecticut challenged me to find anything in it that had any reference to the purchase or acquisition of land or property. I shall not read the whole section; but four or five lines of it will demonstrate that the Senator from Connecticut was not fully advised when he made that suggestion:

*Be it enacted, etc.,* That (a) in order to expedite the building up of the national defense, the Secretary of War is authorized, out of the moneys appropriated for the War Department for national defense purposes for the fiscal year ending June 30, 1941, with or without advertising, (1) to provide for the necessary construction, rehabilitation, conversion, and installation at military posts, depots, stations, or other localities, of plants, buildings, facilities, utilities, and appurtenances thereto (including Government-owned facilities at privately owned plants and the expansion of such plants, and the acquisition of such land, and the purchase or lease of such structures, as may be necessary), for the development, manufacture, maintenance, and storage of military equipment, munitions, and supplies, and for shelter.

So section 1 of the act of 1940 did provide for the acquisition of lands; and in the sale, disposition, or lease of such lands, as well as the other appurtenances referred to therein, subsection (b) authorizes the Secretary of War to do what this amendment would authorize the Secretary of the Navy to do in similar circumstances.

Mr. DANAHER. Mr. President, again the language the Senator has read merely provides that out of appropriations, specifically referred to in the opening lines, the Secretary of War may provide for the necessary construction of depots, military posts, and the like; for the acquisition of such land as may be necessary; and for the purchase or lease of such structures as may be necessary. There is nothing in there about condemnation, and let us not let the record stand otherwise.

Mr. TAFT. Mr. President, before voting I should like to ask the Senator from Wyoming whether, according to his interpretation, the officers or agencies could proceed to confiscate any property in the United States without any appropriation by Congress, or whether, in his opinion, there must be an appropriation for the purpose. We have provided many appropriations for the construction or acquisition of industrial plants, and I assume that, if the bill should pass, without further action such appropriations could be used to pay for such condemned plants. If, for instance, control of the railroad system or the utility systems of the country were desired by the Government—I notice that there is a plan for a Federal grid to connect all the utility companies—I wonder whether the Senator thinks that some appropriation, for general purposes at least, would be required, or whether condemnation could be made without an appropriation, even though it might cost the Government many million dollars.

Mr. O'MAHONEY. I do not believe that the power of condemnation proposed to be granted by the bill is in any degree broader than the power of condemnation which now exists. In the drafting of the amendment effort was made to make it clear that the power should be used solely for war purposes. The language on page 3 reads as follows: that shall be deemed necessary, for military, naval, or other war purposes \* \* \*

There can be no doubt that the broad powers which we have conveyed, are conveying, and shall convey could be used for the purposes the Senator has in mind; but I believe that they will not be so used. I have faith that they will not be so used. I do know, however, that unless the Congress clothes the Executive with the power efficiently and effectively to fight the war, it will not make any difference whether we grant them or surround them with ribbons of qualifications.

Mr. TAFT. I was interested only in the financial question, and in whether the Senator felt we could proceed, for instance, to appropriate the utilities properties or the railroads of the country without appropriation by Congress. That is the question in which I was interested. I somewhat doubt whether such a thing could be done, but I should like to know what the Senator thinks about it.

Mr. O'MAHONEY. That is my judgment. I think it is limited by the powers already granted and the appropriations already provided; but I do not want to say categorically that there are limitations which might not actually apply.

Mr. AUSTIN. Mr. President, I feel that the efforts of the Senator from Connecticut are patriotic and loyal, that his purpose is constructive, and that his objective is to preserve a fundamental principle notwithstanding the fact that we are in a state of war. I do not believe that any other Member of the Senate would sacrifice more or work harder for the cause of the United States than would the Senator from Connecticut.

With respect to the point he makes, I think he is reasonable, and that he is not carried away by any particular prejudice,



bent, or bias. When he says, as he does say so eloquently, that all the things, save one, which are contained in the amendment of the committee can be done under existing law, I agree with him. Of course, it is nothing but our individual opinion, but it can be taken for what it is worth. We do believe it. I think the original text of the bill was so framed that it expressed that idea. I read from page 3, lines 14 to 22:

That upon or after the filing of the condemnation petition, immediate possession may be taken and the property may be occupied, used, and improved for purposes of this act, notwithstanding any other law. Property acquired by purchase, donation, or other means of transfer may be occupied, used, and improved, for purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

Viewing the matter from a purely scientific point of view, I ask this question: For what purpose does the Government of the United States want this property? It is for the purpose of prosecuting the war. In the bill itself, before the amendment was inserted, there was contained language permitting leasing or other disposition of the property, with one exception, and that is the sale of the property.

The prosecution of the war does not require the sale of such property. If the property becomes a burden on the United States, rather than a benefit, there is a constitutional way of disposing of it; and, for one, I am ready to stand upon that basis. I think it is not necessary for the proper prosecution of the war that Congress now act in advance on the question of the sale of property. All other use of it is provided for in the bill without the amendment.

For that reason, Mr. President, I shall vote against the committee amendment, although I voted for it in the committee. I do not care to make any excuses whatever. I present at this moment my present view, after considering what I have heard in this debate.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, lines 10 to 14. On this question the yeas and nays have been demanded and ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. O'MAHONEY (when the name of Mr. SCHWARTZ was called). I announce the necessary absence of my colleague [Mr. SCHWARTZ]. If he were present, he would vote "yea."

The roll call was concluded.

Mr. RADCLIFFE. My colleague [Mr. TYDINGS] is prevented from being here by public business. He has been called to a meeting in Baltimore of the newly inducted members of the Naval Reserve in order to address them. Were he present, his vote would be in the affirmative.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is detained in a hospital because of a recent hip injury. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from New Jersey [Mr. BARBOUR] is absent on official business.

He has a general pair with the Senator from Georgia [Mr. GEORGE].

The Senator from Kansas [Mr. REED] has been unavoidably called from the Chamber. He has a general pair with the Senator from California [Mr. DOWNEY].

The Senator from California [Mr. JOHNSON] is paired on this question with the Senator from Delaware [Mr. HUGHES]. If present, the Senator from California would vote "nay" and the Senator from Delaware would vote "yea."

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senators from Arkansas [Mrs. CARAWAY and Mr. SPENCER], the Senator from California [Mr. DOWNEY], the Senator from Georgia [Mr. GEORGE], the Senator from Delaware [Mr. HUGHES], the Senator from Nevada [Mr. McCARRAN], and the Senator from Indiana [Mr. VAN NUYS] are necessarily absent.

The Senator from Utah [Mr. THOMAS] is detained on business in one of the Government departments.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

The result was announced—yeas 47, nays 32, not voting 17, as follows:

#### YEAS—47

|          |                |               |
|----------|----------------|---------------|
| Aiken    | Green          | Norris        |
| Andrews  | Guffey         | O'Daniel      |
| Bankhead | Gurney         | O'Mahoney     |
| Barkley  | Hayden         | Overton       |
| Bilbo    | Herring        | Radcliffe     |
| Bone     | Hill           | Reynolds      |
| Brown    | Johnson, Colo. | Rosier        |
| Bulow    | Kilgore        | Russell       |
| Bunker   | Lee            | Smathers      |
| Burton   | Lucas          | Stewart       |
| Chandler | McFarland      | Thomas, Okla. |
| Chavez   | McKellar       | Truman        |
| Doxey    | Maybank        | Tunnell       |
| Ellender | Mead           | Wagner        |
| Gillette | Murdoch        | Wallgren      |
| Glass    | Murray         |               |

#### NAYS—32

|              |             |               |
|--------------|-------------|---------------|
| Austin       | Danaher     | Smith         |
| Bailey       | Davis       | Taft          |
| Ball         | Gerry       | Thomas, Idaho |
| Brewster     | Holman      | Tobey         |
| Brooks       | La Follette | Vandenberg    |
| Butler       | Lodge       | Walsh         |
| Byrd         | McNary      | Wheeler       |
| Capper       | Maloney     | White         |
| Clark, Idaho | Millikin    | Wiley         |
| Clark, Mo.   | Nye         | Willis        |
| Connally     | Shipstead   |               |

#### NOT VOTING—17

|         |                 |              |
|---------|-----------------|--------------|
| Barbour | Hughes          | Schwartz     |
| Bridges | Johnson, Calif. | Spencer      |
| Caraway | Langer          | Thomas, Utah |
| Downey  | McCarran        | Tydings      |
| George  | Pepper          | Van Nuys     |
| Hatch   | Reed            |              |

So the committee amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, in Title III—Priorities Powers, section 301, paragraph (C), page 5, line 4, after the words "acceptance of", to strike out "any" and insert "and", so as to read;

Deliveries under any contract or order specified in this subsection may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority.

The amendment was agreed to.

The next amendment was, in the same section, paragraph (4), page 6, line 3, after the word "sections", to strike out "49" and insert "9"; in line 4, after the word "and", to strike out "50" and insert "10"; and in the same line, after the word "of", to strike out "title 15 of the United States Code" and insert "the act of September 26, 1914 (38 Stat. 722)", so as to make the paragraph read:

"(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the provisions of sections 9 and 10 of the act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of the President.

The amendment was agreed to.

The next amendment was, in the same section, paragraph (6), page 6, line 24, after the word "under", to insert "whether heretofore or hereafter issued", so as to read:

"(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection or any rule, regulation, or order or subpoena hereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection to enforce any liability or duty created by, or to enjoin any violation of, this subsection or any rule, regulation, order, or subpoena hereunder whether heretofore or hereafter issued.

The amendment was agreed to.

The next amendment was, in Title IV—Purchase by Federal Reserve Banks of Government Obligations, section 401, page 8, at the beginning of the section, to insert "Subsection (b) of"; in the same line to strike out the word "Section" and insert "subsection"; in line 4, after "Stat.", to strike out "270" and insert "265", so as to make the section read:

SEC. 401. Subsection (b) of section 14 of the act of December 23, 1913 (38 Stat. 265), otherwise known as the Federal Reserve Act, as amended, is hereby amended by striking out of the proviso the words "but only in the open market", so that the proviso will read as follows: "Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities."

The amendment was agreed to.

The next amendment was, in Title VII—Political Activity, section 701, page 9, line 21, after the words "officer or", to insert "part time"; so as to make the section read:

SEC. 701. Subsection (a) of section 9 of the act of August 2, 1939 (53 Stat. 1148), entitled "An act to prevent pernicious political activities," is hereby amended by adding in the second sentence after the words "No officer or employee", the words "except a part-time officer or part-time employee without compensation or with nominal compensation."

The amendment was agreed to.

The next amendment was, in Title VIII—Compensation for Air Raid and Fire Wardens, section 801, page 10, line 24, after the word "death", to insert: "Provided further, That the Commission, in providing compensation to air-raid wardens and fire wardens, may utilize the services of other governmental agen-



cies and of State and local agencies and their employees"; so as to make the section read:

Sec. 801. Section 40 of the act of September 7, 1916 (39 Stat. 750), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", as amended, is hereby amended by adding the following paragraph at the end thereof:

"The term 'employee' also includes air-raid wardens and fire wardens engaged in civilian defense, who have been duly appointed as such by an officer or agent of the United States acting under lawful authority. In the event that any air-raid warden or fire warden so appointed renders his services on a voluntary basis or for compensation amounting to less than \$100 per month, for the purposes of computing the amount of compensation for death or disability, he shall be regarded as having received compensation for his services at the rate of \$100 per month: *Provided*, That no compensation shall be paid in respect to the death or disability of any air-raid warden or fire warden in any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received, or is entitled to receive similar benefits for injury or death: *Provided further*, That the Commission, in providing compensation to air-raid wardens and fire wardens, may utilize the services of other governmental agencies and of State and local agencies and their employees."

Mr. O'MAHONEY. I ask that that amendment be passed over for the present. I shall offer a substitute for the entire section.

The PRESIDING OFFICER. On request of the Senator from Wyoming, the amendment will be passed over.

The next amendment reported by the committee will be stated.

The next amendment was, in Title X, Free Postage for Soldiers, Sailors, and Marines, section 1001, page 11, line 13, after the word "sailors", to strike out "and"; and in the same line, after the word "marines", to insert "and other military and naval personnel", so as to make the section read:

Sec. 1001. Ordinary letters written and mailed by soldiers, sailors, marines, and other military and naval personnel, assigned to duty outside of the continental United States may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.

The amendment was agreed to.

The next amendment was, in Title XI, Naturalization of Persons Serving in the Armed Forces of the United States During the Present War, section 1101, page 11, line 21, after the word "The", to strike out "Nationality"; in the same line, after the words "Act of", to insert "October 14"; in line 22, after "54 Stat. 1137", to insert "entitled 'An Act to revise and codify the nationality laws of the United States into a comprehensive nationality code'"; on page 12, line 25, after the name "United States", to strike out "and"; and on page 13, line 11, after the word "forces", to insert "and (3) the petition shall be filed not later than 1 year after the termination of the present war", so as to read:

TITLE XI—NATURALIZATION OF PERSONS SERVING IN THE ARMED FORCES OF THE UNITED STATES DURING THE PRESENT WAR

Sec. 1101. The act of October 14, 1940 (54 Stat. 1137), entitled "An act to revise and

codify the nationality laws of the United States into a comprehensive nationality code," is hereby amended by adding thereto a new title as follows:

#### "TITLE III

"Sec. 701. Notwithstanding the provisions of sections 303 and 326 of this act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized upon compliance with all the requirements of the naturalization laws except that (1) no declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required; (2) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner; (3) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test; and (4) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certification of naturalization, if issued: *Provided, however*, That (1) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States, (2) the service of the petitioner in the military or naval forces of the United States shall be proved by affidavits, forming part of the petition, of at least two citizens of the United States, members or former members during the present war of the military or naval forces of the noncommissioned or warrant officer grade or higher (who may be the witnesses described in clause (1) of this proviso), or by a duly authenticated copy of the record of the executive department having custody of the record of petitioner's service, showing that the petitioner is or was during the present war a member serving honorably in such armed forces, and (3) the petition shall be filed not later than 1 year after the termination of the present war. The petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the witnesses required by the foregoing proviso shall have appeared before and been examined by a representative of the Immigration and Naturalization Service."

The amendment was agreed to.

The next amendment was, in the same title, on page 14, line 11, after the word "naturalization", to insert "and to issue certificates of citizenship: *Provided*, That the record of any proceedings hereunder together with a copy of the certificate of citizenship shall be forwarded to and filed by the clerk of a naturalization court in the district in which the petitioner is a resident and be made a part of the record of the court."

The amendment was agreed to.

Mr. CLARK of Missouri. Mr. President, I should like to ask the Senator in charge of the bill what the expression "the termination of the present war" means. We are now at war with several different nations; we are at war with Japan; we are at war with Germany; we are at war with Italy; and now we are at war with Thailand, as I understand. I should like to ask the Senator who reported the amendment on page 13, although the amendment has been adopted, if he does not object, to explain what he means by the term "after the termination of the present war."

Mr. O'MAHONEY. Mr. President, I am frank to say that in reporting the amendment referred to by the Senator from Missouri the committee did not take into consideration the possibility, which, of course, is quite apparent, that the war in which we are now engaged might be terminated with one nation and not with another.

Mr. CLARK of Missouri. That has happened in the past.

Mr. O'MAHONEY. The phrase we used was intended to mean that any person who is engaged in our military or naval forces shall have the rights granted by this section, and the amendment was merely intended to provide that a legal record shall be kept, and the period was extended to sometime in the future.

Mr. CLARK of Missouri. Then why does not the committee amendment say that the record shall be extended until a certain period after the conclusion of the present war with any country with which we are engaged in war? It is entirely possible that we might be able to hammer Japan into submission with Germany still on the offensive, or to hammer Germany into submission with Japan still active. Just what is the legal definition of this term?

Pending that, so that something may be before the Senate, I move that the amendment in which that term is used—which was the second one, I believe, before I interrupted—may be reconsidered, so that the Senator from Wyoming may have the opportunity of explaining the technical term which is used.

Mr. O'MAHONEY. Mr. President, does the Senator from Missouri desire to offer an amendment?

Mr. CLARK of Missouri. No; I do not desire to offer an amendment. I desire to have an explanation.

Mr. O'MAHONEY. I think I have already explained it. Will the Senator call attention in the bill to the language to which he is referring?

The PRESIDING OFFICER. Page 13, line 12.

Mr. O'MAHONEY. The language is on page 13, beginning in line 11.

Mr. CLARK of Missouri. Yes; that is precisely it:

And (3) the petition shall be filed not later than 1 year after the termination of the present war.

What does "present war" mean?

Mr. O'MAHONEY. The Senator suggested some very apt language which I shall be glad to accept. What was the suggestion of the Senator?

Mr. CLARK of Missouri. I am not on the committee and have not had an opportunity to consider the matter.

Mr. O'MAHONEY. But this is a very simple matter.

Mr. CLARK of Missouri. I say the bill ought to have been considered by the Judiciary Committee in such a way that it would come before the Senate with proper terms in it. I have not had the opportunity of passing on the bill, because I am not a member of the committee. I say the committee is reporting a very indefinite amendment.

Mr. O'MAHONEY. I am doing my best to suggest to the Senator that if he will be good enough to offer the more exact language which he has in mind, I



think there may be no difficulty in accepting it.

Mr. CLARK of Missouri. Mr. President, I move to reconsider the vote by which the committee amendment on page 13 was adopted. That will afford the committee an opportunity to bring in an amendment in better shape than the one heretofore considered.

Mr. O'MAHONEY. Mr. President, I feel that the committee has given very careful attention to this matter. I am perfectly willing to adopt, if it seems desirable, any suggestion offered by any Senator with respect to any part of the bill; and on several occasions this afternoon I have so indicated. If the Senator wants to offer a specific amendment, let it be done.

I suggest that consideration of this matter be deferred until we have completed action on all the other committee amendments.

Mr. BARKLEY. Mr. President, will the Senator yield? May I have the attention of the Senator from Missouri?

Mr. CLARK of Missouri. Yes; I am very glad to yield to the Senator from Kentucky.

Mr. BARKLEY. The language used in this bill is similar to the language which has been used in other bills as to the termination of legislation.

Mr. O'MAHONEY. Certainly.

Mr. BARKLEY. Some of it runs for 6 months after the termination of the present war. This runs for a year.

Replying to the point made by the Senator from Missouri that we are at war with three or four nations, all of which together makes the present war, my interpretation of that language would be that so long as we are war with any one of them, it is the present war. Until we have made peace or terminated the war with all of them, we are still in war with some one of the nations with which we are now involved in war.

Mr. CLARK of Missouri. I have great respect for the opinions of the Senator from Kentucky, and great affection for him, but the term "present war" is a legal term, and, with all respect, the Senator from Kentucky will not have the opportunity of passing on that question. That is something that will be passed upon, possibly, by the Supreme Court of the United States.

Mr. BARKLEY. None of us here will have an opportunity to pass officially on our own acts.

Mr. CLARK of Missouri. Let me ask the Senator from Kentucky, what is the present war? Whom is it with? When is the termination of it?

Mr. BARKLEY. I am sure the Senator from Missouri knows with whom we are at war; but, if he does not, I will inform him. We are at war with Germany and with Italy and with Japan, and, I believe, with Thailand. Perhaps we are at war with one or two other nations.

Mr. CLARK of Missouri. With which ones is the present war?

Mr. BARKLEY. All of them. We are at war with all of them; and as long as we are at war with any one of them it is the present war.

Mr. HILL. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I believe I have the floor. I shall be glad to yield to the Senator from Alabama.

Mr. HILL. I wonder if it would be agreeable to the chairman of the committee, the Senator from Wyoming, to say, instead of "the termination of the present war," "the termination of any war in which the United States is now engaged"? That certainly would take care of the point raised by the Senator from Missouri. I do not see how there could possibly be any objection to that language.

Mr. O'MAHONEY. If that would be acceptable to the Senator from Missouri, it would be acceptable to me.

Mr. CLARK of Missouri. It occurs to me that in the meantime we might also get into a war with some other nation that might come in on behalf of Germany, and Italy, and Japan, and the Axis Powers. Suppose tomorrow Turkey were to declare war against us on behalf of the Axis Powers.

Mr. HILL. We should have to take care of that situation as it arose; should we not?

Mr. CLARK of Missouri. It seems to me the committee has been negligent in not using definite terms. I do not intend to be captious about the matter, but I think the committee, which has had the opportunity and the advice of eminent counsel, as appears now on the floor, certainly might have taken the trouble to work out the proper result about a thing which may be of very great importance in the final termination of the power we are granting. We are granting a very great power, and we cannot afford to do it carelessly, as, apparently, the committee has done.

I move to reconsider the vote by which the amendment on page 13 was adopted.

Mr. O'MAHONEY. Mr. President, I suggest that this matter be deferred until we have disposed of all the committee amendments; and I ask unanimous consent that that may be done. It may be, in the meantime, that language can be determined upon that will be satisfactory to the Senator from Missouri.

Mr. CLARK of Missouri. That is entirely agreeable to me.

The PRESIDING OFFICER. Without objection, the request of the Senator from Wyoming is agreed to.

The clerk will state the next amendment reported by the committee.

The next amendment of the Committee on the Judiciary was, on page 15, line 1, after the word "alienage", to insert "or"; in line 3, after the word "uniform", to strike out "or (3) any person who is under charges by the military or naval authorities, or has been convicted by a court martial and is under sentence of such court martial," and insert "Provided, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with section 338 of this act", so as to read:

SEC. 704. The provisions of this title shall not apply to (1) any person who during the present war is dishonorably discharged from the military or naval forces or is discharged therefrom on account of his alienage, or (2)

any conscientious objector who performed no military duty whatever or refused to wear the uniform: *Provided*, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with section 338 of this act.

The amendment was agreed to.

The next amendment was, in Title XII, Acceptance of Conditional Gifts to Further the War Program, section 1201, page 15, line 19, after the word "accept", to insert "or reject", and in line 21, after the word "personal", to insert "or services", so as to make the section read:

SEC. 1201. To further the war program of the United States, the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other property, real or personal, or services, made on condition that it be used for a particular war purpose.

The amendment was agreed to.

The next amendment was, in section 1202, on page 15, line 23, after the word "may", to strike out "as soon as practicable", so as to make the section read:

SEC. 1202. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of property other than money.

The amendment was agreed to.

The next amendment was, on page 17, after line 4, to insert:

#### TITLE XIII—COINAGE OF 5-CENT PIECES

SEC. 1301. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this act and prior to December 31, 1946, to be one-half silver and one-half copper. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.

SEC. 1302. For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: *Provided*, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: *Provided further*, That the gain from the minor coinage provided for by this title shall be accounted for by entries in the minor coinage profit fund.

SEC. 1303. No silver-copper ingots shall be used for the minor coinage provided for by this title which differ from the legal standard by more than ten-thousandths. In adjusting the weight of such minor coins there shall be no greater deviation allowed than four grains for each piece.

SEC. 1304. For the purpose of section 3529 of the Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent pieces provided for by this title shall be deemed to be copper.

SEC. 1305. Upon redemption any 5-cent pieces coined in accordance with the provisions of this title shall after December 31, 1946, be allocated to the Director of the Mint for melting and for subsidiary silver coinage. Any 5-cent pieces coined in accordance with the provisions of this title but not issued by the Mint may after December 31, 1946, be allocated, in such amounts and at such times as the Secretary of the Treasury in his dis-



cretion may determine, to the Director of the Mint for melting and for subsidiary silver coinage. All 5-cent pieces allocated to the Director of the Mint in accordance with this section shall be accounted for by entries in the fund established for the purchase of silver bullion for subsidiary silver coinage. Upon coinage into subsidiary silver coins of the metal contained in the 5-cent pieces so allocated, the gain shall be accounted for by entries in the silver-profit fund.

SEC. 1306. This title shall become effective 60 days after approval.

Mr. O'MAHONEY. Mr. President, the amendment which I send to the desk is applicable to title XIII.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming to the amendment reported by the committee will be stated.

The CHIEF CLERK. On page 17, line 10, after the word "copper", it is proposed to strike out the period and insert:

: *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals if such action would be in the public interest.

Mr. TAFT. Mr. President, I question somewhat the wisdom of the grant of such wide discretion. Is it necessary to give this broad discretion to the Secretary? As I take it, he could make the 5-cent piece half silver and half copper, or perhaps make it of any other metal. He could make it out of aluminum, or magnesium, or of any other metal he chose to select. I should think that we might give him discretion to use some other metal to the extent of not more than 10 percent, or provide some limitation, not throw the matter wide open for him to use anything he may pick up in the scrap market.

Mr. O'MAHONEY. I am willing to accept the suggestion of the Senator from Ohio.

The PRESIDING OFFICER. Will the Senator from Ohio state his proposed amendment?

Mr. O'MAHONEY. The amendment is included in language which I shall later send to the desk, with respect to the power to add new metals in volume not to exceed 10 percent.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming to the amendment of the committee.

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 19, after line 4, to insert a new title, as follows:

#### TITLE XIV—INSPECTION AND AUDIT OF WAR CONTRACTORS

SEC. 1401. The provisions of section 10 (1) of an act approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (1)) (giving the Government the right to inspect the plant and audit the books of certain contractors), shall apply to the plant and books of any contractor with whom a defense contract has been

placed at any time after the declaration of emergency on September 8, 1939, and before the termination of the present war: *Provided*, That, for the purpose of this title, the term "defense contract" shall mean any contract, subcontract, or order placed in furtherance of the defense or war effort: *And provided further*, That the inspection and audit authorized herein, and the determination whether a given contract is a "defense contract" as defined above, shall be made by the agency placing such contract or order or the contract or order under which such subcontract was placed, or by the Chairman of the War Production Board.

SEC. 1402. The provisions of sections 9 and 10 of the act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of any agency or of the Chairman of the War Production Board acting hereunder. Any person who shall, without just cause, fail or refuse to attend or testify or to comply with any order or subpoena issued under this title, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment of not more than 1 year or both.

The amendment was agreed to.

The next amendment was, on page 20, line 9, after the heading "Title", to strike out "XIII" and insert "XV", and in line 10, after "Sec.", to strike out "1301" and insert "1501", so as to read:

#### TITLE XV—TIME LIMIT AND SHORT TITLE

SEC. 1501. Titles I to X, inclusive, and title XII of this act shall remain in force only during the continuance of the present war and for 6 months after the termination of the war, or until such earlier time as the Congress by concurrent resolution, or the President, may designate, but no court proceedings brought under any such title shall abate by reason of the termination hereunder of such title.

The amendment was agreed to.

The next amendment was, on page 20, line 17, after "Sec.", to strike out "1302" and to insert "1502", so as to read:

SEC. 1502. This act may be cited as the "Second War Powers Act, 1942."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the amendments of the committee.

Mr. O'MAHONEY. Mr. President, after the committee had acted upon the bill, the Senator from Montana [Mr. WHEELER], chairman of the Committee on Interstate Commerce, received a letter from the chairman of the legislative committee of the Interstate Commerce Commission, suggesting that the power over water carriers should be brought into harmony with the power which is granted to the Interstate Commerce Commission over motor carriers, which is similar to the power over railroads. The provision already adopted eliminates a certain restriction which appears in the present law. Section 210 (a) of the Interstate Commerce Act provides that in order to bring about service by common carriers for which there is immediate and urgent need—

The Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier, or a contact carrier by motor vehicle, as the case may be. Such temporary authority, unless suspended or revoked for good cause, shall be valid for such time as the Commission shall specify,

but not for more than an aggregate of 180 days.

The provision "but not for more than an aggregate of 180 days" has been stricken out in the Motor Carrier Act. The Interstate Commerce Commission suggests an additional amendment to eliminate the same words from the Water Carriers' Act, and I now send to the desk such an amendment, and I shall ask that the letter received by the chairman of the Committee on Interstate Commerce, and which he handed me, be printed in connection with the amendment. The amendment is being offered at the request of the chairman of the Committee on Interstate Commerce, and at the request of the Interstate Commerce Commission.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The CHIEF CLERK. It is proposed to add to title I of the bill a new section, between lines 19 and 20, page 2, to read as follows:

SEC. 103. Subsection (a) of section 311 of said act is hereby amended by striking out the words "but not for more than an aggregate of 180 days."

Mr. WHITE. Mr. President, I did not hear the first part of the Senator's explanation. I should like to really know just what we are asked to do.

Mr. O'MAHONEY. I shall do my best to explain the matter to the Senator.

Mr. WHITE. No doubt the Senator made a clear explanation.

Mr. O'MAHONEY. Perhaps not. Let me suggest in the first place that the clerk read the letter from the Interstate Commerce Commission.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk reads as follows:

Hon. BURTON K. WHEELER,  
Chairman, Committee on  
Interstate Commerce,  
United States Senate,  
Washington, D. C.

MY DEAR CHAIRMAN WHEELER: Because of the exigencies of the present war the Interstate Commerce Commission is being called upon to make increasing use of its power to grant temporary authority for service by common and contract carriers by motor vehicle as well as by water "for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need." In its discretion the Commission may grant temporary authority in such cases without hearings or other proceedings.

In respect of both motor and water carriers at present such temporary authority is valid for not more than 180 days. From our experience with this subject we have found that the 180-day limitation is a distinct disadvantage. In S. 2208 it is proposed to remove the limitation from subsection (a) of section 210a, which relates to motor carriers, but the limitation would be retained as to water carriers. There is no reason for such a distinction. We therefore believe that the limitation should be removed from subsection (a) of section 311 and are enclosing a draft of an amendment which would accomplish this result.

Respectfully,

WALTER M. W. SPLAWN,  
Chairman, Legislative Committee.

Mr. O'MAHONEY. I think the letter from the Commission explains the mat-



ter about as well as I could. I may add that we find in the hearings a statement of the Attorney General, which appears on page 6, as follows:

Title I seeks to fill this gap in the law to meet the war situation. The first provision would grant to the Commission, in general terms, emergency powers over motor carriers equivalent to those which it has with respect to rail carriers. The second proposed paragraph confers a broad regulatory power upon the Commission. It is needed because of the existence of certain restrictions, which, if not suspended, would prevent the flexibility necessary to emergency transportation. The third provision would permit extension of temporary operating authority over motor carriers beyond the present limit of 180 days, to the effective period of the second war-powers bill.

I may say to the Senator from Maine, to the Senator from Michigan, and to any other members of the Committee on Interstate Commerce who may be present, that I offer the amendment solely at the request of the chairman of the Committee on Interstate Commerce, but if any member of the committee feels any doubt about eliminating the phrase referred to with respect to water carriers, I shall be very glad to withdraw the amendment, and suggest to the Senator from Montana that it be presented to the House committee when the bill goes over to the House.

Mr. WHITE. It is almost impossible to understand the full implication and effect of an amendment by merely having it read on the floor, with a brief extract from a letter. I dislike to find myself in opposition to the views expressed by the chairman of the Committee on Interstate Commerce, but I should feel very much happier about the situation if the suggestion of the Senator from Wyoming were followed, and this matter were presented to the House committee, without it being pressed here now.

Mr. O'MAHONEY. I am very glad to accommodate myself to the suggestion of the Senator from Maine, and I withdraw the amendment. I am sure the Senator from Montana will understand.

Mr. VANDENBERG. Mr. President, I now desire to offer an amendment, with which I think the Senator from Wyoming is in agreement. It is the subject we discussed at some length some time ago. My amendment is to strike out title V and to substitute the text of the bill upon this subject passed by the Senate last December, eliminating only the time limit contained in the bill. It is my understanding that the amendment is agreeable to the Senator from Wyoming?

Mr. O'MAHONEY. The Senator from Michigan has eliminated the date?

Mr. VANDENBERG. Yes.

Mr. O'MAHONEY. The amendment is quite satisfactory.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 8, in line 14, after "Sec. 501", it is proposed to strike out down to and including line 25 and to insert in lieu thereof the following:

During the national emergency declared by the President on May 27, 1941, to exist, for the purpose of securing the most expeditious

transportation consistent with safety of men and materials that are necessary to national defense and to reduce delays in water-borne transportation, provide quicker turn arounds, expedite deliveries, and help to prevent shortages in defense or critical materials, and, when in the opinion of the Secretary of Commerce there is no other reasonable recourse, the Secretary of Commerce is authorized, upon written recommendation of the Secretary of the Navy, and of the Secretary of War, and of the Secretary of the Treasury, and of the Secretary of Labor, and of the Chairman, United States Maritime Commission, or any three of the above-named officials, to waive compliance with the navigation and vessel inspection laws of the United States, except laws requiring the division of crews of vessels of the United States into watches, or limiting the hours of labor of seamen on such vessels, but only to such extent and in such manner and upon such terms as he may find after investigation to be necessary or proper for the national defense: *Provided, however,* That the Secretary of Commerce shall not waive compliance with any of such laws to such an extent as will permit the navigation of any vessel in an unsafe condition, nor with the coastwise laws of the United States where the service desired can be supplied promptly by American ships: *Provided further,* That in the exercise of authority granted by this act, the Secretary of Commerce shall waive compliance with any of such laws only by specific rulings for specific occasions, and shall in each case specifically state the particular laws with which compliance is waived and the reasons therefor: *And provided further,* That during the effective period of this act the Secretary of Commerce shall, at the convening of each session of Congress, and monthly while the Congress is in session, report to the Congress every action taken by him under authority of this act.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Michigan is agreed to.

Mr. O'MAHONEY. Mr. President, we have not quite completed the bill. It will be recalled that when we came to page 10 I asked that consideration of title VIII be deferred, because certain amendments have been proposed which it is better to offer as a whole. I therefore now offer on behalf of the committee the text of a new title VIII, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, beginning on line 1, it is proposed to strike out title VIII to and including line 3 on page 11, and in lieu thereof to insert the following:

#### TITLE VIII—COMPENSATION FOR CERTAIN CIVILIAN DEFENSE WORKERS

SEC. 801. Section 40 of the act of September 7, 1916 (39 Stat. 750), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, is hereby amended by adding the following paragraph at the end thereof:

"The term 'employee' also includes any person in the protective services engaged in civilian defense, who has been duly appointed as such by an officer or agent of the United States acting under lawful authority. In the event that any such person renders his services on a voluntary basis or for compensation amounting to less than \$100 per month, for the purpose of computing the amount of compensation for death or disability, he shall be regarded as having received compensation for his services at the rate of \$100 per month: *Provided,* That no compensation shall be paid

in respect to the death or disability of any such person in any case coming within the purview of the workmen's-compensation law of any State, Territory, or possession, or in which the claimant has received, or is entitled to receive similar benefits for injury or death: *Provided further,* That the Commission may establish new and utilize its existing regional offices, utilize the personnel and facilities of other governmental agencies, and delegate thereto such authority as may be necessary, for carrying out the provisions of this paragraph.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. Will the Senator from Wyoming advise me whether it is intended to cover by this amendment locally appointed persons in the civilian defense forces as distinguished from those appointed by Federal officials?

Mr. O'MAHONEY. The purpose of the amendment, as the committee reported it, is to cover all persons who under authority of law are brought into the service and, therefore, persons who are locally appointed and then are brought in to do any of the work of the kind involved here, the protective services under civilian defense, would be covered.

Mr. MILLIKIN. I ask the Senator whether that covers those members of the local civilian defense forces appointed by mayors and sheriffs who have not been inducted into any sort of Federal service.

Mr. O'MAHONEY. No.

Mr. MILLIKIN. It is not so intended?

Mr. O'MAHONEY. No, indeed.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McKELLAR. May I ask if it is the purpose to put all persons engaged in defense service under civil service, with retirement privileges?

Mr. O'MAHONEY. No. The amendment simply provides for compensation for injury suffered while serving in the defense effort.

Mr. McKELLAR. There are a few persons in the United States still outside the civil service, I believe.

Mr. O'MAHONEY. A small percentage.

Mr. MILLIKIN. Mr. President, will the Senator again yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I should like to invite the Senator's attention to the fact that most persons engaged in civilian defense at the present time are engaged under local appointment, and that this provision would not reach any of those persons. I am probing the matter so that if it is not intended to cover them by this section, later on I shall introduce a bill to cover the present situation.

Mr. O'MAHONEY. Mr. President, the feeling of the committee was that the benefits and privileges of the compensation act should not be extended by legislative enactment to all persons, regardless of whether they have been brought under the act. If the persons whom the Senator from Colorado has described should be brought in by the Federal agency, then they would benefit. But if they are not brought in, they naturally



The Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier, or a contact carrier by motor vehicle, as the case may be. Such temporary authority, unless suspended or revoked for good cause, shall be valid for such time as the Commission shall specify, but not for more than an aggregate of 180 days.

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The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Michigan is agreed to.

Mr. O'MAHONEY. Mr. President, we have not quite completed the bill. It will be recalled that when we came to page 10 I asked that consideration of title VIII be deferred, because certain amendments have been proposed which it is better to offer as a whole. I therefore now offer on behalf of the committee the text of a new title VIII, which I ask to have stated.

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"The term 'employee' also includes any person in the protective services engaged in civilian defense, who has been duly appointed as such by an officer or agent of the United



States acting under lawful authority. In the event that any such person renders his services on a voluntary basis or for compensation amounting to less than \$100 per month, for the purpose of computing the amount of compensation for death or disability, he shall be regarded as having received compensation for his services at the rate of \$100 per month: *Provided*, That no compensation shall be paid in respect to the death or disability of any such person in any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received, or is entitled to receive similar benefits for injury or death: *Provided further*, That the Commission may establish new and utilize its existing regional offices, utilize the personnel and facilities of other governmental agencies, and delegate thereto such authority as may be necessary, for carrying out the provisions of this paragraph.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. Will the Senator from Wyoming advise me whether it is intended to cover by this amendment locally appointed persons in the civilian defense forces as distinguished from those appointed by Federal officials?

Mr. O'MAHONEY. The purpose of the amendment, as the committee reported it, is to cover all persons who under authority of law are brought into the service and, therefore, persons who are locally appointed and then are brought in to do any of the work of the kind involved here, the protective services under civilian defense, would be covered.

Mr. MILLIKIN. I ask the Senator whether that covers those members of the local civilian defense forces appointed by mayors and sheriffs who have not been inducted into any sort of Federal service.

Mr. O'MAHONEY. No.

Mr. MILLIKIN. It is not so intended?

Mr. O'MAHONEY. No, indeed.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. McKELLAR. May I ask if it is the purpose to put all persons engaged in defense service under civil service, with retirement privileges?

Mr. O'MAHONEY. No. The amendment simply provides for compensation for injury suffered while serving in the defense effort.

Mr. McKELLAR. There are a few persons in the United States still outside the civil service, I believe.

Mr. O'MAHONEY. A small percentage.

Mr. MILLIKIN. Mr. President, will the Senator again yield?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I should like to invite the Senator's attention to the fact that most persons engaged in civilian defense at the present time are engaged under local appointment, and that this provision would not reach any of those persons. I am probing the matter so that if it is not intended to cover them by this section, later on I shall introduce a bill to cover the present situation.

Mr. O'MAHONEY. Mr. President, the feeling of the committee was that the benefits and privileges of the compensation act should not be extended by legis-

lative enactment to all persons, regardless of whether they have been brought under the act. If the persons whom the Senator from Colorado has described should be brought in by the Federal agency, then they would benefit. But if they are not brought in, they naturally would not. The provision, of course, deals with the expenditure of Federal funds.

Mr. MILLIKIN. Mr. President, will the Senator yield to me again?

Mr. O'MAHONEY. I yield.

Mr. MILLIKIN. I should like to invite the Senator's attention to the fact that in the present state of affairs the greatest hazards involved to those in civil defense are training hazards. Is the language sufficiently broad to cover such hazards?

Mr. O'MAHONEY. Yes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. Am I to understand that an air-raid warden who goes from house to house and who stumbles on a step in the course of his duties is entitled to \$100 a month?

Mr. O'MAHONEY. No; not at all.

Mr. TAFT. Mr. President, what is the use or value of compensating air-raid wardens at the present time for any injury connected with their work, particularly when we can appoint an unlimited number of them and pay them nothing at all? Do we not thereby open the whole thing up to all kinds of claims against the compensation fund?

Mr. O'MAHONEY. Mr. President, the reference to \$100 a month is not intended to, and the language does not result in providing, a payment. The reference to a salary of \$100 a month is intended solely for the purpose of placing a limitation upon the compensation. It operates in this manner. If a person who has been duly appointed is injured in the course of his duty, and that person has no compensation, that is to say, no salary, then his compensation for injury shall be measured by the same standard that is applied to those who actually are getting \$100 a month. In other words, he shall not have the compensation privileges that go to a person receiving \$140 a month, or \$180 a month, or \$200 a month.

Mr. TAFT. As I understand, it is intended that if an air-raid warden visits my house, for instance, and goes down the cellar to see what facilities there may be for air-raid shelters, and if he stumbles and hurts himself, he then shall be entitled to compensation from the Federal compensation fund. Is that the conclusion to be drawn from this language?

Mr. O'MAHONEY. Mr. President, if the work was being done in accordance with the provisions covering civilian defense, that undoubtedly would be the case.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] in the nature of a substitute for title VIII.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, a moment ago the question was raised with

respect to the committee amendment on page 13, lines 11 and 12. The Senator from Missouri [Mr. CLARK] questioned the meaning of the phrase "the present war." I asked that the amendment go over in the hope that we might agree upon a suitable and satisfactory substitute. I now suggest a perfecting amendment, striking out the words "present war" and inserting in lieu thereof the words "effective period of this act as provided in title XV" so that the amendment would read: and (3) the petition shall be filed not later than 1 year after the termination of the effective period of this act as provided in title XV.

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment on page 13, beginning in line 11, was agreed to, will be reconsidered.

Mr. CLARK of Missouri. Mr. President, I was temporarily absent from the Chamber. Will the Senator from Wyoming explain his amendment again?

Mr. O'MAHONEY. My amendment to the committee amendment would strike out the words "present war" and insert in lieu thereof the words "effective period of this act as provided in title XV." It would merely mean that the application may be filed 1 year after the termination of the act itself.

Mr. CLARK of Missouri. That is entirely satisfactory.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming to the committee amendment on page 13, beginning in line 11.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. GILLETTE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa will be stated.

The CHIEF CLERK. On page 9, beginning in line 16, it is proposed to strike out all of title VII, under the heading "Political Activity" and to renumber the succeeding titles.

Mr. GILLETTE. Mr. President, the amendment which has just been stated would strike out all of title VII of the bill, on page 9.

In the report of the committee on this measure attention is called to the fact that the purpose of the bill is to expedite the prosecution of the war effort. For some reason an amendment to the Hatch Act has found its way into the bill.

In reading the report of the committee as to the thought behind title VII, attention is called to some matters to which I wish to refer in a moment.

Title VII proposes to amend the Hatch Act by exempting from its provisions certain part-time officers and part-time employees who are serving without compensation or with nominal compensation.

Mr. President, the so-called Hatch Act and its amendments were adopted by the Congress for the purpose of meeting some of the most reprehensible practices that ever pertained to registering at the polls the wishes of the electorate



of the United States. There are some weaknesses in the Hatch Act, and, certainly, it is not necessary to point them out to the boys who want to violate the act. It is the experience of those of us who have come closely in contact with the subject since the enactment of the Hatch Act that such persons are sufficiently adroit to find any possible holes in the fence without our making holes through which they can take themselves out from under the provisions of the law.

Let me call attention to section 9 of the Hatch Act, which provides:

It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof.

The proposed amendment would not change that particular sentence. It would continue as it is now in effect. The whole purpose of the Hatch Act is to prevent those in a position of authority or official control from exerting on the employees under them undue influence to control their action at the polls or interfere with their free exercise of the privilege of the ballot under our laws.

The second sentence is as follows:

No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns.

In its report the committee proposes to exempt from that prohibition part-time officers or those serving without compensation. The committee has stated that its purpose is to exempt the part-time officers and part-time employees who serve without compensation, or with nominal compensation.

Mr. President, I do not know what a part-time employee is. Without naming any names, I am wondering, for instance, if a man who is now in the Government employ, and who draws \$10,000 a year from the Government, and is drawing \$45,000 a year from an agency with which he was formerly connected, is now a part-time employee. Where is his allegiance? Where is his responsibility? Not only one man, but several men in the Federal employ at the present time are doing exactly that.

I care not whether they are drawing 10 cents a year or \$10,000 a year, the fact is that they are in positions of authority; they are in positions where, by suggestion and innuendo, they can control the votes of underlings who are working for them. Our experience has been that it is done over and over and over again. A man is called in and told, "Now, I am not interfering with you in any way, shape, or manner; but we are very much interested in Bill Jones. I am on the central committee, and we should like to see him elected." The employee knows, as was testified before the committee of which I had the honor to be the head, that if he does not support the particular candidate his job is not worth a nickel.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. CHAVEZ. I know a gentleman who was a part-time employee of the

Federal Government—I believe at a dollar a year. At the same time he was national committeeman for one of the political parties in my State. To whom did he owe his allegiance?

Mr. GILLETTE. That is exactly the question. Where is the divided allegiance?

In its report the committee says that it would be unfair to require patriotic citizens who ought to give their services to the Government to abstain from participation in the political life of their communities. Mr. President, there is no such purpose in the law. There is no such word in the Hatch law. The Hatch law specifically says that nothing in the law shall prevent any such official from exercising his right to vote as he may choose or expressing his opinion on all political candidates and all political issues. He has that right, and we are not curtailing the right; but it is proposed that the men who come to work for governmental agencies for a dollar a year or a nickel a year shall be exempted from the prohibition which applies to every other officer.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. CLARK of Missouri. As I understand, the whole theory on which the Hatch Act was based, and upon which all legislation of which the Hatch Act was the final culmination was based, had nothing whatever to do with the amount of compensation received by anybody, but had to do with the theory that the power of the Government of the United States itself, exercised by any agent, high or low, should not be used for political purposes. It might be just as possible for a man drawing only a dollar a year or drawing nothing whatever a year, if entrusted with the power of the United States Government, to exercise just as much influence—possibly in these parlous times more influence—than such a man as a Cabinet officer drawing \$15,000 a year.

Mr. GILLETTE. The Senator from Missouri is absolutely correct. He has put his finger right on the point. The law was designed to prevent such men using their official positions, directly or indirectly, to coerce those who hold their jobs at their behest.

Mr. President, in a colloquy conducted, I believe, between the able Senator from Wyoming [Mr. O'MAHONEY] and my side partner, the Senator from Michigan [Mr. BROWN], some time earlier in the afternoon, it was suggested that the purpose of the amendment was to enable some members of local groups to perform services for the Federal Government in a patriotic way without requiring them to resign from political committees.

The Senator from Wyoming has stood all afternoon, and I do not ask him to stand while I ask a question of him. Let me call his attention to this point: The changes proposed by title VII would exempt these particular Federal officers from the prohibition contained in the second sentence of section 9 of the Hatch Act, but almost all local agencies are covered by section 12. I will read section 12:

Sec. 12. (a) No officer or employee of any State or local agency whose principal em-

ployment is in connection with any activity which is financed in whole or in part by loans or grants made by the United States or by any Federal agency shall—

The section absolutely prohibits such persons from the specified forms of political activity.

If title VII remains in the bill, we shall not have done anything for State employees or local employees who are paid in part by Federal funds; we shall not have touched them. The only thing we shall have done is to exempt from the prohibition against political activity some of the dollar-a-year men and some of the part-time men who have come to Washington to serve the Federal Government, some of whom are drawing \$10,000 from the Government and \$45,000 from some outside agency.

It seems to me, without taking more time to discuss the matter, that this provision has no place in the bill; that not only would its inclusion in the bill weaken the Hatch Act, but, very clearly, it would permit those who wish to do so to vitiate the act and to use their official positions for political purposes.

Mr. O'MAHONEY. Mr. President, I shall not take any time to repeat the argument I made this afternoon when the discussion was opened by the Senator from Michigan, but I desire to say that if there are any dollar-a-year men who are abusing their powers, it should be and it is the task of Congress to put a stop to such abuse. I do not believe that this bill or this provision should be made the instrumentality of doing that.

It may be that there are some dollar-a-year men who desire to use their places for political purposes, but I doubt it. I seriously doubt whether 1 percent of the men in Washington whom we call dollar-a-year men have any political connection at all, and I am not concerned with them. The committee felt that the amendment was not dealing with them, and in our report we state:

The exemption does not apply to full-time employees of the Federal Government, whether paid a salary, a dollar a year, or no compensation at all.

Of course it is true that if such a person comes here and gives only part of his time, although he has no compensation, or only a dollar a year, he would be exempt. What I am concerned about, and what the committee was concerned about, are not employees of State agencies—no—but local persons who are brought into the Federal service.

We just provided for the appointment of air-raid wardens. We just agreed to an amendment dealing with air-raid wardens. Are we to say that no member of a political committee may volunteer his services as an air-raid warden? We have selective service boards composed of men who give only a small part of their time to service on such boards. They are not full-time employees. Sometimes they are scarcely part-time employees, perhaps, for weeks at a time; but they sit occasionally, when the patriotic service of the Nation demands, and they give their time. When such boards were appointed, and when various other persons were brought into the war effort, no attention was given to the



question as to whether they happened to be on a political committee. So, Mr. President, the committee felt that there should not be such a penalty.

In the report we pointed out that—

Outstanding examples of such citizens are the members of the local and appeal boards of the Selective Service System throughout the Nation, the members of the tire-rationing boards, special assistants to the Attorney General designated by the Department of Justice as hearing officers for conscientious-objector cases, and members of the enemy alien hearing boards created and established after the declaration of war.

Mr. President, it simply seems to me to be utterly unnecessary to say, "Because you belong to a political committee you may not serve unless you resign that position."

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly; I yield.

Mr. BARKLEY. Let us take the case of some local person in a county who has been chosen by his party organization as a precinct committeeman. He is designated, let us say, as an air-raid warden in his locality. He receives no compensation for serving in that capacity, but he is part of the Federal set-up in the defense program. Is it true that technically he is violating the Hatch Act by remaining a member of a precinct committee so long as he is acting for the Federal Government in the matter of warning his neighbors of an air raid?

Mr. O'MAHONEY. Exactly; certainly.

Mr. BARKLEY. Is it also true that all members of selective draft boards, who receive no compensation—they may be paid some expenses, but I do not think they receive direct compensation—and those who are brought in voluntarily to serve with them in the administration of the Selective Service Act, who happen to have been, when they were chosen, members of some small county political committee, are technically violating the Hatch Act unless they resign from such committee or unless they resign from the position they are holding in carrying out the program, although they receive no compensation? Is that the Senator's interpretation of their status?

Mr. O'MAHONEY. There is no question about it.

This is the section of the Hatch Act which we are amending; I will read to the Senate the sentence as it now stands:

No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns.

That is the provision of the Hatch Act; and we say, by this provision, that it shall be amended to read:

No officer or employee \* \* \* except a part-time officer or part-time employee without compensation, or with nominal compensation—

And so forth.

Mr. CHAVEZ. Mr. President—

Mr. BARKLEY. Let me pursue my question a little further.

We have in the country an automobile situation in which cooperation between the automobile dealers and manufacturers and the Government of the United

States, of course, is very essential and desirable. I am informed that the program will not necessarily be carried out—not for the present, at least—by employing a large number of persons in the various States, counties and cities, but that some one may be designated as an agent or representative of the agency here in Washington; it may be the Price Administration, or it may be the W. P. B., or whatever the authority here may be. They will be brought into the Federal set-up. They will get no compensation, but they will be expected to perform certain duties in regard to the observance of the rationing provisions of any order regarding automobiles or tires. It is my information that no paid employees are to be brought into the Federal service in any of the small towns or counties, or even the larger ones, to enforce the tire-rationing regulation, but that that is to be done, in part at least, through the men and women who have been selected under the Civilian Defense program. They get no compensation.

It was testified the other day before the conference committee on the price-control bill that many of these persons get no compensation, and that no State set-up of paid persons is to be created for the purpose of carrying out even the provisions of the price-control act, although regions will be set up for that purpose. Any of these persons who are serving the country without pay, but who happen to be members of some committee, would be technically violating the law, would they not?

Mr. O'MAHONEY. Exactly; and let me also say that the sentence immediately preceding the one I have read is, I think, sufficient guaranty that there shall be no violation of the intent and purposes of the Hatch Act. That sentence reads as follows:

It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof.

That sentence is not affected by this amendment. All the committee had in mind when it brought in this amendment was that we are accepting the services of all the citizens of the United States in this war effort, and we ought to do so. We are making no limitations of any kind or character. We have just adopted a provision which extends the right of citizenship to aliens who are under age, who may not be able to read and write the English language, so long as they serve in the war effort. To say that because a man happens to be a member of a town committee or a local committee or a State committee of the Democratic Party or the Republican Party or any other party, he is by that fact disqualified from serving his country, seems to me to be nothing short of absurd.

Mr. CHAVEZ and Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield, and, if so, to whom?

Mr. O'MAHONEY. The Senator from New Mexico has been endeavoring to get the floor. I yield first to him.

Mr. CHAVEZ. Mr. President, I believe I can agree with everything the Senator from Kentucky has said and everything the Senator from Wyoming has said. That was one of the reasons I voted against the Hatch Act, and I would vote against it again. I am not worried about the particular section of the pending bill that the Senator from Kentucky and the Senator from Wyoming have in mind; but why should we allow the national committeeman of any particular party—our party or the other party—to come to Washington, work for a dollar a year, and then go back in December and be exempt from the Hatch law, while the poor little fellow is not exempt? Why should the national committeeman of any particular party, be he Democrat or Republican, come to Washington and work for a dollar a year, and say, "No; I will not resign the national committeemanship"? Is there any particular reason why he should be exempt under this proposed law, while the poor little fellow who works in the post office may not express his opinion?

That is what I object to. I do not see any particular reason for that.

Mr. O'MAHONEY. Of course, as the Senator well knows, the poor little fellow who works in the post office may express his opinion under the Hatch Act. He was expressly exempted.

Mr. CHAVEZ. Would the national committeeman of any party, if he had a dollar-a-year job in Washington, be exempt under this language?

Mr. O'MAHONEY. Not at all if he is not a part-time employee. If a member of a national committee or a State committee or a county committee comes to Washington and gives all his time to the Federal Government as a dollar-a-year man or otherwise, he is thereby covered, and this amendment does not exempt him.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Michigan.

Mr. BROWN. I do not object to the exemption of air-raid wardens and persons in that classification who volunteer for services of that kind in connection with the Government of the United States, but I think the very class of persons to whom the majority leader referred—the members of the local draft boards and of the appeal boards—certainly should not be connected with any political-party management. The Senator from Wyoming is right when he says that the prohibition from which he seeks to exempt these particular persons is not a prohibition against speaking in a political campaign or marching in a parade, as we discussed here at considerable length at the time we were considering the Hatch Act. It is against active participation in the management of a political campaign.

I do not think the chairman of the Democratic Party in Mackinac County, Mich., where I live, should be a member of the local draft board. I do not think any precinct committeeman of my party or of the Republican Party should be a member of the local draft board or of the appeal board. I think that if we



are to eliminate political activity on the part of all the citizens who are covered by the law—all who are remotely connected with the Federal Government, all who are remotely connected with the State government where Federal money is even remotely involved—certainly there are two classes that have been mentioned this afternoon that we should entirely remove from political activity. One class comprises the local draft boards and the appeal boards and all persons connected with the Selective Service Act in any manner whatever. Second, I think we ought to make certain that none of the so-called dollar-a-year men, none of the men who come to Washington and work half of the time or three-quarters of the time or full time for the Federal Government for a dollar a year or \$10,000 a year, whether or not they get \$75,000 a year from the corporations with which they are still connected, shall be exempted from the provisions of the Hatch Act.

How far have we gone in the Hatch Act? I think Senators did not recognize, when the bill was passed, just what it did. It does not let the streetcar conductors on the streetcar system in the city of Detroit if it has a loan from the Federal Government participate in politics. It does not let the little fellow who runs an engine in a powerhouse owned by a municipality, which has a loan from the Federal Government, participate in any way in politics. Are we to exclude that class of persons and then permit many persons who are connected with the O. P. M., or in similar activity, who have been heretofore connected with corporations and who still draw their salaries, participate in politics, while the streetcar conductor cannot do so?

Furthermore, we say to the professor in the University of Michigan, which may get a little money from some Federal funds—it may be only \$1 in a \$6,000 salary that could be attributed to the funds of the United States Government—that he may not participate in the management of a political campaign. That is how far we have gone. If we go that far with respect to the class of citizens I have mentioned, then certainly the dollar-a-year man should be under the law. Certainly the chairmen of the political parties in the smaller communities should not be on the draft boards. I do not know of any activity from which it is more important that men totally disconnected from politics should be used than on the draft boards. Therefore I support the amendment offered by the Senator from Iowa.

Every Member of the Senate knows that in 1938 the Senator from Iowa investigated the campaigns which were carried on at that time. I happened to be chairman of the Democratic senatorial campaign committee at that time, and he investigated me; but I am still a Member of the Senate.

The Senator from Iowa knows the situation, and I doubt that the Senator from Wyoming and members of the Committee on the Judiciary are as familiar with the general subject matter as is the Senator from Iowa.

I have just been looking over the bill. A hasty summary of it indicates that it is

a bill which in the ordinary course of procedure should have gone to the Committee on Interstate Commerce, the Committee on Banking and Currency, and the Committee on Privileges and Elections, the Committee on Commerce, and the Committee on Post Offices and Post Roads, because it covers subjects which are ordinarily assigned to those committees.

It is my view that, because of the fact that the Committee on the Judiciary has brought in a bill which ordinarily would have gone, in the division of its subject matters, to several other committees of the Senate, the Senator from Wyoming should be quite willing to accept suggestions from those like the Senator from Iowa, who are very familiar with the situation in this particular case. I shall bring that argument up a little later in connection with another proposition.

Mr. O'MAHONEY. Mr. President, will the Senator from Michigan yield?

Mr. BROWN. I yield.

Mr. O'MAHONEY. The Senator implies that the Senator in charge of the bill is perhaps not familiar with the subject matter involved in the pending amendment. Let me say to the Senator that prior to the activity of the Senator from Iowa on the campaign investigating committee, I had the misfortune to be required to serve on a similar committee. I served on that committee, and in fact I served upon the committee which reported and recommended the provision which excluded political activity from the W. P. A. I am familiar with the subject, and I am also familiar with political activities, and I know that 99.99 percent of the political committee members in this country are just as clean as the committeeman from Michigan was. I am very glad to give testimony to my high respect for the Senator from Michigan. I know that he is an honor to his State, an honor to his profession, and he is an honor also to the calling of a politician. I have become utterly out of patience with the continuous charge that politicians must, somehow or other, be persons of low ethical standards, low moral standards; that what they touch may be seared. I know that is not true.

I know that some of the greatest men we have ever had in our history have voluntarily adopted political careers. As a matter of fact, on the 30th of January, we are to celebrate the birthday anniversary of a distinguished President of this country who voluntarily chose to adopt a political career. I know that, so far as I myself am concerned, there has never been a time since I had the intelligence to read and the intelligence to understand that I have not been interested in politics, and actively associated with politics, whenever my friends and neighbors would permit me to be.

Now when we are in the greatest war our democracy has ever undertaken I feel that we should be willing to invite the cooperation of everyone, and whether he happens to be a member of a political committee or not, to my mind, makes no difference at all. In the prosecution of the war I am as ready to accept the cooperation of a politician as of an alien, and I think it is utterly unsound and

unwise to yield to all this clamor about politics, and to say, "If you desire to serve as an air warden, or on a retiring board, or a selective service board, or contribute your service otherwise, you must ipso facto cut yourself off from political committees."

Mr. President, one of the desirable effects of the adoption of the pending proposal will be to bring local people in and to keep them in the war effort. This country will profit more by lodging authority in the hands of politicians in the local communities, in towns, in counties, in States, than by having all the authority concentrated, as I sometimes think it is being concentrated. Let us not be afraid of dealing with the actualities. If any person, a dollar-a-year man or any other, violates any of the proprieties or ethics which should be followed, it will soon be found out. Let us not run like scared children before the wind. That is all I care to say.

Mr. BROWN. Mr. President, everything the Senator from Wyoming has said meets with my full and complete agreement. Everything he has said is an argument against the Hatch Act in its entirety. What I am protesting against is the exclusion from the provisions of the Hatch Act of two classes of persons whose political activity would be more dangerous than that of any other class of which I know in connection with pernicious political activity.

Mr. BARKLEY. Mr. President, obviously we cannot conclude the consideration of the bill today, as there will be further discussion of the pending amendment.

Mr. O'MAHONEY. I thought we were about to get a vote on the amendment.

Mr. BARKLEY. One or two other Senators have indicated they desire to speak on it, and I do not want to hold the Senate longer.

Mr. CLARK of Missouri. Mr. President, I wish to enter a motion to reconsider the vote by which the committee amendment, on lines 11 and 12, page 13, was agreed to, the amendment reading: and (3) the petition shall be filed not later than 1 year after the termination of the present war.

The PRESIDING OFFICER. The motion will be entered.

Mr. CLARK of Missouri. I also desire to give notice of an amendment I propose to offer, on page 20, line 11, beginning after the word "only", to strike out the remainder of the line, and all the words in line 12, and the first three words in line 13, and to insert in lieu thereof "until January 31, 1944."

The PRESIDING OFFICER. The amendment will be received.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5591) to amend the District of Columbia Revenue Act of 1939, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the



amendment of the Senate to the bill (H. R. 5990) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes.

#### PRICE CONTROL—CONFERENCE REPORT

Mr. BROWN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5990) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

#### "TITLE I—GENERAL PROVISIONS AND AUTHORITY

##### "PURPOSES; TIME LIMIT; APPLICABILITY

"SECTION 1. (a) It is hereby declared to be in the interest of the national defense and security and necessary to the effective prosecution of the present war, and the purposes of this Act are, to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; to assure that defense appropriations are not dissipated by excessive prices; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance, annuities and pensions, from undue impairment of their standard of living; to prevent hardships to persons engaged in business, to schools, universities, and other institutions, and to the Federal, State, and local governments, which would result from abnormal increases in prices; to assist in securing adequate production of commodities and facilities; to prevent a post emergency collapse of values; to stabilize agricultural prices in the manner provided in section 3; and to permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes. It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction, to work toward a stabilization of prices, fair and equitable wages, and cost of production.

"(b) The provisions of this Act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on June 30, 1943, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper

suit, action, or prosecution with respect to any such right, liability, or offense.

"(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

##### "PRICES, RENTS, AND MARKET AND RENTING PRACTICES

"SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term 'regulation or order' means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regula-

tion or order issued under the foregoing provisions of this subsection.

"(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

"(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

"(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices, or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

"(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such

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United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 77<sup>th</sup> CONGRESS, SECOND SESSION

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No. 20

## Senate

(Legislative day of Friday, January 23, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, the Very Reverend ZeBarney T. Phillips, D. D., offered the following prayer:

O Thou with whom is the eternal Word uttered at sundry times and in divers manners, now breathing peace and understanding, and again commotion and perplexity: Speak to us now in some word of power, as we find access to Thy throne of grace in these sacred moments of devotion. For while the heavens are always open before us, prayer doth open our hearts unto the heavens; while Thou, O God, art always ready and willing to bless, we know that prayer doth set our feet in the path where Thou wouldst have us walk, and while the cleansing fount is always open, prayer doth bring us to the wellspring of the living water.

And so we pray not only for ourselves, our work, our country, our leaders, and for all who bear such heavy burdens of responsibility, but we also pray for all who are in distress, the sick and afflicted, for those who die in old age or in youth, in pain or in peace, for surely blessed are the dead who are in Thy hands, and yet in Thy Holy Word Thou hast taught us that they, without us, should not be made perfect.

In the spirit of this knowledge, teach us again to pray, and so to live for the sake of Him who lived and died and rose again for us, Jesus Christ our Lord. Amen.

### THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, January 27, 1942, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On January 26, 1942:

S. J. Res. 124. Joint resolution to maintain the secrecy of military information.

On January 27, 1942:

S. 1936. An act to provide protection of persons and property from bombing attacks in the United States, and for other purposes;

S. 2204. An act authorizing vessels of Canadian registry to transport iron ore on the Great Lakes during 1942; and

S. J. Res. 96. Joint resolution to enable the United States to become an adhering member of the Inter-American Statistical Institute.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6353. An act to provide for the adjustment of tobacco, wheat, and cotton-marketing quotas and acreage allotments in certain cases where farm land is acquired by the United States for defense purposes; and

H. R. 6460. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes.

### CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

|              |                 |               |
|--------------|-----------------|---------------|
| Alken        | George          | O'Mahoney     |
| Andrews      | Gerry           | Overton       |
| Austin       | Gillette        | Radcliffe     |
| Bailey       | Glass           | Reed          |
| Ball         | Green           | Reynolds      |
| Bankhead     | Gurney          | Rosler        |
| Barkley      | Hayden          | Russell       |
| Bilbo        | Herring         | Shipstead     |
| Bone         | Hill            | Smathers      |
| Brewster     | Holman          | Smith         |
| Bridges      | Johnson, Calif. | Stewart       |
| Brooks       | Johnson, Colo.  | Taft          |
| Brown        | Kilgore         | Thomas, Idaho |
| Bulow        | La Follette     | Thomas, Okla. |
| Bunker       | Langer          | Thomas, Utah  |
| Burton       | Lee             | Tobey         |
| Butler       | Lucas           | Truman        |
| Byrd         | McKellar        | Tunnell       |
| Capper       | McNary          | Tydings       |
| Caraway      | Maloney         | Vandenberg    |
| Chandler     | Maybank         | Van Nuys      |
| Chavez       | Mead            | Wagner        |
| Clark, Idaho | Millikin        | Wallgren      |
| Clark, Mo.   | Murdock         | Walsh         |
| Connally     | Murray          | Wheeler       |
| Danaher      | Norris          | White         |
| Doxey        | Nye             | Willis        |
| Ellender     | O'Daniel        |               |

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from California [Mr. DOWNEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Delaware [Mr. HUGHES], the Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Arkansas [Mr. SPENCER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] is absent on important public business.

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] is absent pursuant to his duties as a member of the Anthracite Commission appointed by the President to study conditions in the industry.

The Senator from New Jersey [Mr. BARBOUR] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is absent in a hospital because of a hip injury.

The Senator from Massachusetts [Mr. LODGE] is necessarily absent.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

### EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

### CARE AND CUSTODY OF INSANE RESIDENTS OF ALASKA

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the law relating to the care and custody of insane residents of Alaska, and for other purposes (with an accompanying paper); to the Committee on Territories and Insular Affairs

### REPORT ON SPECIAL STATISTICAL STUDIES, DEPARTMENT OF COMMERCE

A letter from the Acting Secretary of Commerce, reporting, pursuant to law, relative to the making of special statistical studies by the Department of Commerce upon payment of the cost thereof, showing the names for whom work has been performed, the nature of the services rendered, the price charged for the services, and the manner in which the moneys received were deposited or used (with accompanying statements); to the Committee on Commerce.



## DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents in the files of the Departments of the Treasury, and Agriculture (8), and the General Accounting Office, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TUNNELL, from the Committee on Claims:

H. R. 5701. A bill for the relief of the accounts of Lt. Col. Joseph M. Kelly, United States property and disbursing officer for Kentucky; without amendment (Rept. No. 1000).

By Mr. BROWN, from the Committee on Claims:

H. R. 4436. A bill for the relief of Mrs. Bertha M. Smith; without amendment (Rept. No. 1001); and

H. R. 5767. A bill for the relief of A. Paul Johnson; without amendment (Rept. No. 1002).

By Mr. ELLENDER, from the Committee on Claims:

S. 1820. A bill for the relief of Jerry McKinley Thompson; without amendment (Rept. No. 1003);

S. 2002. A bill for the relief of Donald William Burt; without amendment (Rept. No. 1004);

H. R. 1903. A bill for the relief of Reuben Owen; without amendment (Rept. No. 1005);

H. R. 5085. A bill for the relief of Esco Wood; without amendment (Rept. No. 1006); and

H. R. 5541. A bill for the relief of Joseph Keeney; without amendment (Rept. No. 1007).

By Mr. WALSH, from the Committee on Naval Affairs:

H. R. 6392. A bill to authorize the construction of certain naval vessels, and for other purposes; with amendments (Rept. No. 1008).

## ADDITIONAL COPIES OF REPORT OF SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing, I report from that committee a concurrent resolution, and ask unanimous consent for its immediate consideration.

There being no objection, the concurrent resolution (S. Con. Res. 24) was read, considered by unanimous consent, and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring),* That there be printed 5,000 additional copies of the report (Rept. No. 480, pt. 5, current session) of the Select Committee of the Senate authorized and directed to make a complete study and investigation of the operation of the national defense program, of which 2,000 copies shall be for the use of the Select Committee; 1,000 for the use of the Senate Document Room; and 2,000 copies for the use of the House document room.

## REPORT OF COMMISSION TO INVESTIGATE JAPANESE ATTACK ON PEARL HARBOR (S. DOC. NO. 159)

Mr. HAYDEN. Mr. President, I send to the desk a copy of the official report

of the Commission appointed by the President of the United States to investigate, ascertain, and report the facts relating to the attack made by Japanese armed forces upon Pearl Harbor in the Territory of Hawaii on December 7, 1941, and ask unanimous consent that it be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REED:

S. 2232. A bill to provide that the work week established by the Fair Labor Standards Act of 1938 shall temporarily be extended from 40 hours to 48 hours; to the Committee on Education and Labor.

By Mr. HOLMAN:

S. 2233. A bill to provide for the establishment of a Mineral Production Administration to foster and encourage the production of strategic and critical metals and minerals; to the Committee on Mines and Mining.

By Mr. THOMAS of Oklahoma:

S. 2234. A bill granting a pension to Chief Red Bird; to the Committee on Pensions.

By Mr. CHANDLER:

S. 2235. A bill for the relief of Harriett Boswell, guardian of Betty Fisher; to the Committee on Claims.

## HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 6353. An act to provide for the adjustment of tobacco, wheat, and cotton-marketing quotas and acreage allotments in certain cases where farm land is acquired by the United States for defense purposes; to the Committee on Agriculture and Forestry.

H. R. 6460. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1943, and additional appropriations therefor for the fiscal year ending June 30, 1942, and for other purposes; to the Committee on Appropriations.

## VICTORY IN THE PACIFIC—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. HILL asked and obtained leave to have printed in the Record a radio address, entitled "Victory in the Pacific," delivered by Senator Thomas of Utah under the auspices of the World Peaceways, Inc., January 27, 1942, which appears in the Appendix.]

## PRICE CONTROL—BRIEF BY C. DAVID GINSBURG

[Mr. BROWN asked and obtained leave to have printed in the Record a brief on the legal aspects of the price-control bill, prepared by C. David Ginsburg, Esq., general counsel of the Office of Price Administration, which was withheld from the Record of January 27, which appears in the Appendix.]

## PRAYER BY REV. GEORGE GILMOUR IN RESPONSE TO THE PRESIDENT'S PROCLAMATION OF JANUARY 1, 1942

[Mr. ANDREWS asked and obtained leave to have printed in the Record a prayer by the Reverend George Gilmour, of the United Liberal Church of St. Petersburg, Fla., made in response to the President's proclamation of January 1, 1942, which appears in the Appendix.]

## END OF AN ILLUSIONARY POLICY—ADDRESS BY MAX O'RELL TRUITT

[Mr. TRUMAN asked and obtained leave to have printed in the Record an address on the subject The End of An Illusory Policy,

delivered by Max O'Rell Truitt, at Fulton, Mo., before the thirty-seventh annual Kingdom of Callaway Supper, which will appear hereafter in the Appendix.]

## REPORT OF PERFORMANCE BY UNITED AIRCRAFT CORPORATION

[Mr. MALONEY asked and obtained leave to have printed in the Record a report of performance by the United Aircraft Corporation of East Hartford, Conn., which appears in the Appendix.]

## COSTLY DELAYS—ARTICLE BY RAYMOND CLAPPER

[Mr. MALONEY asked and obtained leave to have printed in the Record an article by Raymond Clapper, entitled "Costly Delays" published in the Washington Daily News of January 28, 1942, which appears in the Appendix.]

## EXTENSION OF WAR POWERS

The Senate resumed the consideration of the bill (S. 2208) to further expedite the prosecution of the war.

The VICE PRESIDENT. The pending question is on agreeing to the amendment offered by the Senator from Iowa [Mr. GILLETTE], the effect of which will be to strike out title VII of Senate bill 2208.

Mr. O'MAHONEY. Mr. President, I understood that the Senator from Kentucky [Mr. BARKLEY] desired to make some comment upon this matter. Apparently, he has been detained by conferences or otherwise; so I ask a parliamentary question:

If the amendment offered by the Senator from Iowa should be adopted, would it then be in order to move a modification of the section, or, in other words, to propose a new amendment dealing with the same subject matter?

The VICE PRESIDENT. It would be proper for the Senator from Wyoming to offer a new amendment if there were some substantial difference between the amendment offered by the Senator from Wyoming and the amendment offered by the Senator from Iowa.

Mr. O'MAHONEY. Mr. President, I shall be perfectly frank about this matter.

I am very much disturbed by the information which has come to me, indicating that quite a number of Members of the body are likely to be led astray by the eloquence and persuasive qualities of the Senator from Iowa, and that if his amendment were put to a vote now the vote might result in the adoption of the amendment. I feel very deeply that the adoption of the amendment would be a serious blow to the war effort and a serious blow to the united action of the people of the country. I feel that it would be a tremendous mistake for the Senate now to take such action as would be notice to all persons who are active in politics locally and in the States that they cannot be permitted to take part in these voluntary activities. In some States it is highly essential that the men to whom I refer shall be called into service. A Senator this morning was telling me of the conditions in his State, where, if the amendment of the Senator from Iowa should be carried, the whole selective-service machinery would be ruined.

It may be, of course, that in the city of Detroit, or in the city of Dubuque or Des Moines, or some of the large cities



even of an agricultural State, little difference would be made if these persons were eliminated from service on the selective-service boards, but in rural States, and particularly in some of the Southern States, where there is a large proportion of illiteracy, we should be deprived of the organizations already built up.

I have no hesitation in saying that if this amendment as presented by the Senator from Iowa is adopted we shall not have any selective-service organization in some of the States.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Maine.

Mr. BREWSTER. Am I to understand the Senator to say that it is impossible to secure officials of selective-service boards without resorting to committee members of one or the other of the political parties? Is that the case in the Senator's State?

Mr. O'MAHONEY. I am now stating what was related to me this morning by the distinguished Senator from South Carolina [Mr. MAYBANK], former Governor of that State, who is intimately acquainted with the setting up of these boards in the States. I hope the Senator from South Carolina will be good enough to make some comment upon this matter.

Mr. MAYBANK. Mr. President, I should like to say that in certain sections of the South, and particularly in South Carolina, where there is a large Negro population, in selecting the Government appeal agents and making the other appointments it was necessary for us in some communities to use all the lawyers and public officials who were available. In some of the selective-service boards in the lower section of South Carolina, where the population is 3 to 1 colored as against white, we found that perhaps 20 percent of the colored registrants had marked their papers "X," and could neither read nor write. To fill out the long selective-service questionnaires it was necessary for us to have not only all the lawyers available in the smaller communities but also the school teachers, because it is impossible for persons who are illiterate to fill out the questionnaires; and that is quite true, sir, of the rural sections of South Carolina. In one entire county there is only one doctor to make the physical examinations.

Mr. BREWSTER. Am I to understand that the function of determining whether a man who is illiterate can enter the service is dependent upon either the school teacher or the lawyer? Are there not other competent persons in the Senator's State who could determine at least those elements?

Mr. MAYBANK. In certain sections I should say that there is not a sufficient number of persons, because it takes a long time to fill out one of the questionnaires, and there are not enough persons to fill out all of them. I dare say that we have between 16,000 and 17,000 illiterate colored people, and we also have a good many whites who cannot read or write.

Mr. BREWSTER. I can only say that the Senator from South Carolina pre-

sents a most unfortunate picture of the progress of education, when a tremendous part of the population, white or colored, are not adequate to the performance of an apparently simple task.

Mr. MAYBANK. I should not say that, because everyone is trying to do his best; and if one should undertake to fill out all the questionnaires, and fill in all the answers, he would find it would take the best part of half an hour for each one.

Mr. GILLETTE. Mr. President, I have already spoken briefly on the pending amendment, and I should not impose myself on the Senate now were I not informed that there are one or two other Senators who wish to speak on it, to whom I would readily yield the floor, but they are not present at the moment.

As I listened to the Senator from Wyoming this morning, and to the Senator from Kentucky, and the Senator from Wyoming day before yesterday, I was reminded of an incident of my very immature boyhood. When I was a very small boy I had a boil on my neck, and my mother, over my squealing protest, dragged me to the doctor to have it lanced. While I was still screaming, the doctor put his arm around my shoulder and called my attention to some intricate machine in his office, and while my attention was diverted, he harpooned the boil.

What Senators are doing is attempting to divert the attention of the Senate from what would actually be accomplished by the pending measure. When we tell eminent Senators that there are dollar-a-year men in Washington who have been accused by the Truman committee, an agency of this body, of taking advantage of their official positions for private gain, or for gain for their companies, we are told, "Why, look at this tire-rationing man here; look at John Jones here; he might be affected." When we call attention to the fact that men such, for instance, as the one a newspaperman told me of yesterday, who is drawing a dollar a year from the Government and retaining a salary of \$65,000 from his company, are in position, if they are also affiliated with a partisan group, to influence the location of a munitions factory, or the awarding of a contract, or the filling of some preferred position on priorities, we are told, "Look at John Doe down here. He cannot be an air warden." In order to get a few small fish, small minnows, the net is being torn wide open so as to let the sharks out.

Mr. O'MAHONEY. Mr. President—  
The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from Iowa yield to the Senator from Wyoming?

Mr. GILLETTE. Certainly.

Mr. O'MAHONEY. The Senator has heard me say over and over again that, in the opinion of the committee, the amendment does not apply to the dollar-a-year men. It was not intended to apply to the dollar-a-year men. It is a familiar rule of legislative construction that the declarations of members of a legislative body as to the meaning and intent of language employed must be taken into consideration in interpreting the language. The Senator is well aware

of that rule. When the committee says in its report that this is not intended to cover the dollar-a-year men, and when the Senator in charge of the bill makes the same statement, it seems to me the argument of the Senator is altogether beside the point, and I suggest to him that the proper way to handle the matter, if reaching the dollar-a-year men is what interests him, is to frame an amendment which, in the language of the bill itself, will make it clear that the exception does not extend to dollar-a-year men who are serving in Washington. I shall be very happy to cooperate with the Senator to that end; but I know that striking out the whole section in order to get at persons who we say are not touched would destroy the opportunity of thousands of honest, decent citizens who are now voluntarily cooperating in the war effort; and I am sure the Senator does not want to do that.

If the Senator will permit, I should like to make a suggestion. There are several other amendments to the bill to be considered. I should be very happy if the consideration of the amendment of the Senator were now temporarily postponed, so that we might proceed with the other amendments, and I should be glad to have him sit down with one of the drafting experts and draft an amendment which would definitely and clearly reach what the Senator has in mind, and what the committee had in mind, without destroying the other values of the amendment.

Mr. GILLETTE. Mr. President, I intend to take a leaf out of the book of the Senator from Wyoming, who, during the consideration of another matter yesterday, when there was suggestion of an amendment which might be made to a pending provision, said:

If you have an amendment, present it. If you want to modify the pending amendment, present your proposal for consideration.

If the Senator has anything to propose by way of modification of the pending amendment, I shall be very glad to consider it myself, and I am sure the Senate would desire to consider it.

Let me say in response to the suggestion of the Senator that the matter be postponed that I am perfectly willing to postpone the consideration of the amendment, if the Senator will be kind enough to let the Senator from Iowa conclude the few remarks he wishes to make in regard to the subject, so that he may not have to take the floor again.

Mr. O'MAHONEY. I thank the Senator for agreeing to my proposal, and I shall be very happy to present substitute language a little later.

Mr. GILLETTE. I should also like to say that day before yesterday I was moved by the argument of the Senator from Wyoming relative to the charges which are frequently made that all politicians are dishonest. Certainly no one here contends anything of that kind. The Senator from Wyoming cannot get an argument out of me on any such proposition. When he asserts that politicians as a rule are just as honest as any cross-segment of the public, I am in hearty agreement with him. That, however, has nothing to do with what is now



before us. If the Senator should rise now and assert that Joe DiMaggio is a fine outfielder, I would agree with him; if he should assert that a gardenia is a sweet-smelling flower, I would agree with him; but that has nothing to do with the pending amendment.

The Senator has just called attention to a rule of law regarding construction of statutes. Let me call his attention to a rule of law which he knows better than any man in this body. It is a rule of spiritual law, as well as a rule of secular law. It started with the Master, the Man of Nazareth, who said, "No man can serve two masters: for either he will hate the one and love the other; or else he will hold to the one and despise the other." And the rule of our secular law is that no man can act as agent for two diverse interests at the same time and render them proper service.

What is the proposal now made? When the Truman committee says that there are men in the Government service in Washington who are retaining their affiliations with their businesses, and, no matter what their honest intention may be, that they cannot properly represent the Government and represent their private interests, the bill before us gives them another master, a political committee with whom they are affiliated, and asks them to divorce themselves from these diverse interests and serve one. It cannot be done, and even when the Senator suggests that politicians, like Ivory soap, are 99 percent pure, I say to him that I do not agree to the percentage. I say that if he believes that there are no politicians in this country who have utilized and will utilize all their resources to debauch and control the electorate, then he is more naive than I would take him to be.

Mr. President, there is nothing in my proposal to strike out title VII that will interfere with the exercise of the franchise or with the expression of opinion as to an issue or as to a candidate by any of the men who may be affected.

I have no desire to interfere with the right of a humble citizen to act on a fire-rating board or to act as a fire warden. I happened to be chairman of the Democratic committee in my county in Iowa for years, until I went to France. I resigned, and that committee functioned, and continued to function with such success that a Democratic victory was won shortly after my return. If I were not a United States Senator and wanted to be a fire warden today, I could resign my precinct chairmanship and accept appointment as fire warden without any considerable pain to myself and without any loss of prestige in my community.

I am ready to approve any suggested modification that would prevent injustice or any imputation against those covered by the provision now in the bill; but, as I have said, we should not destroy the net and let the sharks out. I shall have more to say in a few days about this matter, Mr. President, but I will say now, as I have previously said on the Senate floor, that within the past few months we have had illustrations of men serving at the same time themselves, their business interests, and the public. Companies with which

they are connected were defendants in suits which were instituted by the United States Government, and which were pending, and they advised as to the disposition of the suits and the signing of consent decrees for the disposition of the suits.

In addition to putting men in such positions, where they are unable to draw the line between public and private interests, it is proposed to say "You can also represent a political committee and represent a third interest."

Mr. President, you know, as I know, that the strategical placing of a munitions works or the strategical placing of a contract for hundreds of millions of dollars in a congressional district is not inopportune at some chosen political time.

I am willing to see that no injustice is done anyone, and if Senators have in mind a modification which would not let the sharks escape, I, speaking as an individual, am perfectly willing to give it consideration; but I do not propose to stand here and see the safeguards which we have tried to put around the electorate to insure a proper expression of views at the polls destroyed by any such method as this. If it is desired to repeal the Hatch Act, very well, repeal the Hatch Act. I was in favor of the act and I am in favor of its retention. Perhaps the majority of the Senate are not. If it is desired to repeal it, repeal it, but do not put this little group of men—I am not naming any names—who know their interests, and know their companies' interests, and know their party's interests—I am not willing to relax the safeguards for our electorate in their specific favor.

Mr. O'MAHONEY. Mr. President, I have been endeavoring to frame an amendment which would meet the objection the Senator from Iowa has raised. His objection is directed, as I understand, toward the dollar-a-year men who are working in agencies such as the late lamented O. P. M., the War Production Board, and similar agencies, where the opportunity is presented to such persons while serving in a voluntary capacity for the Government also to serve the interests of private corporations. Do I understand the Senator correctly?

Mr. GILLETTE. Mr. President, in answer I will say that the Senator has substantially stated my position. The designation "dollar-a-year man" is not very descriptive.

Mr. O'MAHONEY. I will state what I propose. If the Senator will look at the bill before us, on page 9, in line 20—

Mr. GILLETTE. Mr. President, may I interrupt the Senator again?

Mr. O'MAHONEY. Certainly.

Mr. GILLETTE. The Senator suggested a moment ago that after I had completed my remarks there might be a deferment of action, and we could confer.

Mr. O'MAHONEY. Very well.

Mr. GILLETTE. I should appreciate it if that course were followed.

Mr. O'MAHONEY. Very well.

The PRESIDING OFFICER. Without objection, the consideration of the amendment offered by the Senator from Iowa will be temporarily postponed.

Mr. BROWN. Mr. President, I have discussed with the Senator from Wyoming [Mr. O'MAHONEY] an amendment which I now propose. I move to strike out title IX of the bill, which is found on page 11.

I discussed this matter on the floor of the Senate Monday. I may say briefly that the subject matter of title IX has already been covered by legislation which the Senate and House have passed, and which I understand has been signed by the President. Briefly, it refers to the use of Canadian ships in the carriage of ore on the Great Lakes.

A very small percentage of our ore can be carried in Canadian ships. As I recall, last year 700,000 tons were carried in Canadian ships, as compared with some 88,000,000 tons which were carried in American ships—less than 1 percent. The suspension of the prohibition against the use of Canadian ships on the Great Lakes was requested last May by the O. P. M. and the Senate Commerce Committee. We had no difficulty in the Commerce Committee, headed by the distinguished Senator from North Carolina [Mr. BAILEY], in having that bill approved. We had representatives of labor and representatives of the shippers before us. They pointed out that the navigation laws which it was proposed to suspend were enacted for the benefit of the American shippers and American sailors.

American sailors are benefited by the navigation laws in this way: Our law provides for three crews instead of two. With some slight exceptions, the Canadians man a ship with two-thirds of the men required by law on an American ship. Approximately 36 men are required on one of our ships that could be manned by 24, if it were of Canadian registry. Of course, the Canadian shippers would be able to cut rates, because their expenses are less. The living conditions on the American ships are superior. But we concluded that in order to have shipped all the ore possible for the war effort the law should be suspended for 1 year. Approximately 90 percent of all ore is carried upon the waters of the Great Lakes from the Minnesota and Michigan iron mines to the Ohio ports and thence to Youngstown, Pittsburgh, and the other steel-producing areas. We had no difficulty in persuading both shippers and the representatives of labor that the law should be suspended for 1 year.

Again this year the matter was brought to my attention by Mr. Knudsen and by Mr. Budd, and Congress again suspended the law for another year.

The difficulty with title IX is that it would provide for a complete suspension of the law during the entire period of the war and for 6 months thereafter. I do not want to suspend the American navigation law for 6 months after the close of the war, and as the Senator from Missouri [Mr. CLARK] pointed out the other day, "the end of the war" is a rather indefinite term. We might be at peace with Japan, and at peace with Germany, and still be at war with Thailand, or some of the subordinate nations with whom we are now in conflict.



Therefore I hope that the Senator from Wyoming will be content with the arrangements we have made in the Senate Commerce Committee, which have been ratified by action on the part of the Senate by which we have provided for suspension of this law for the entire 1942 season, and I have no doubt that if the war continues into 1943 and 1944 we shall have no difficulty in providing for suspension in line with the arrangements we have heretofore made. I therefore ask the Senator if he will not agree to an amendment striking out title IX?

Mr. O'MAHONEY. Mr. President, in view of the fact that the Commerce Committee has acted in the manner indicated by the Senator from Michigan, and has already twice made the exemption which this language would merely make for the duration of the emergency, and since it is apparently the purpose of the committee to continue that policy whenever the necessity arises, without any desire on the part of the Judiciary Committee to have this condition extend longer than necessary, I am quite willing to accept the amendment of the Senator.

Mr. BROWN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. BROWN].

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, the Senator from Oregon [Mr. McNARY] had an amendment which I desire to suggest that he offer as a substitute for title IX, but apparently he is not in the Chamber. I will defer that matter until he comes in.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. TAFT. Mr. President, may I ask what happened to the amendment relating to the Hatch Act?

The PRESIDING OFFICER. Consideration of that amendment was temporarily postponed.

Mr. TAFT. I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 8 it is proposed to strike from the bill lines 1 to 11, inclusive, as follows:

**TITLE IV—PURCHASE BY FEDERAL RESERVE  
BANKS OF GOVERNMENT OBLIGATIONS**

SEC. 401. Subsection (b) of section 14 of the act of December 23, 1913 (38 Stat. 265), otherwise known as the Federal Reserve Act, as amended, is hereby amended by striking out of the proviso the words "but only in the open market", so that the proviso will read as follows: "Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities."

And refer the subject matter involved in title IV to the Committee on Banking and Currency to originate such legislation relating thereto as it deems advisable.

Mr. TAFT. Mr. President, the purpose of this amendment is to refer title IV to the Banking and Currency

Committee for further consideration. With due respect to the leadership which has proposed the bill, it seems to me that 12 different titles, some of them dealing with highly technical matters, ought not to be combined in one bill and sent to the Judiciary Committee. Naturally, the Judiciary Committee is not familiar with many features of the bill.

It seems to me obvious that this particular question, which I think is a vital question of the financial policy of the United States in financing the war, should be considered by the Banking and Currency Committee of the Senate with a view to working out a proper provision. I wish to present the reasons why I believe the provision in the bill is exceedingly dangerous.

First, it opens the road to complete inflation. It presents the very program which led to that result in other countries. The power should not be given without proper restrictions, and I believe those restrictions could be worked out by the Banking and Currency Committee. I do not claim to be an expert on banking, and I do not know that the particular amendments which have been suggested are proper. I do know that title IV proposes a more complete revolution in the financial policy of the United States than any banking legislation which has been before this body since I have been a Member of the Senate, or since the passage of the Banking Act of 1935.

No hearing was held on this particular issue. No evidence is contained in the record. No one was given an opportunity to testify. There is a statement from the Attorney General of the United States, and that is all we have in support of title IV, except the fact that the Federal Reserve Board and the Treasury say that it is all right.

Title IV would strike out the words "but only in the open market." It looks harmless, and it has been said that it simply restores the power of the 12 Federal Reserve banks to buy Government bonds otherwise than on the open market, a power which they had during the World War.

It is quite true that they had that power during the World War; but since the World War we have created an open-market committee, which is the Federal Reserve Board itself, with a few minority members, and which has been given power to tell the 12 Federal Reserve banks when and how they must buy Government bonds. So the effect of taking out the words "but only in the open market" would be to give the Federal Reserve Board, or the Government of the United States, the right to say to the 12 Federal Reserve banks, "Here is an issue of Government bonds, \$2,000,000,000 or \$3,000,000,000, and you must buy it direct from the Government at the rate of interest we have set."

In other words, it is proposed to confer upon the Government of the United States the power which was exercised by Germany and by France, to say to the central bank of issue, "You must buy this Government issue." Up to this time, under existing law all the Government

can say is, "You must go out in the open market and buy Government bonds in such and such an amount," an authority which is perfectly reasonable; but if we should take out the words, "but only in the open market," the Government could force the Federal Reserve Bank to buy any Government obligations the Treasury might see fit to issue, and at any rate the Treasury might see fit to establish. So far as I can see, the result would be exactly equivalent to the direct issue of paper money by the Government of the United States to pay its bills.

We say "otherwise than in the open market." The term "open market" is a broad term. It means not only on the exchange. It means from anyone. The transaction does not have to be public. The words "open market" mean simply the opposite of purchases direct from the United States Government. So if those words are taken out, the Government would be authorized to force on the banks any Government issue it might see fit to force upon them.

The purpose of the Government is clearly admitted. It is contained in Mr. Biddle's statement on the bill, on pages 7 and 8 of the statements in executive session. He says:

Title IV of the bill, suggested by the Federal Reserve Board and concurred in by the Treasury Department, would permit the Federal Reserve banks to buy Government securities, including those fully guaranteed by the Government, directly, instead of having to purchase them in the open market. This bill has been discussed by representatives of the Federal Reserve Board with Senator GLASS and Chairman STEAGALL, of the House Banking and Currency Committee. They both agree with this proposed amendment.

We all know that the Federal Government is spending greater amounts of money in the prosecution of this war than have ever been spent before by any nation on this earth. There will be a corresponding need to borrow large sums. This may create disturbances in the money markets which will seriously impede financing of the war unless the Federal Reserve banks are given the power to make purchases of Government securities off the market. Accordingly it is important to increase the ability of the Federal Reserve System to assist in maintaining a stable market for Government securities.

Apparently the purpose of the bill is to initiate a procedure by which the Government, instead of selling bonds to the people, or in addition to selling them to the ordinary commercial banks, may force the Federal Reserve banks to buy them and issue Federal currency in exchange. It is equivalent to the issue of paper money. The same thing occurred in Germany and France.

There was much testimony taken in 1935 before the Senate Banking and Currency Committee, which resulted in inserting in the bill passed in 1935 the provision by which the Open Market Committee was given power to approved purchases. However, it was not permitted to direct the Federal Reserve banks to buy such bonds direct from the United States Treasury. I do not care to read all the provisions of that act, but I wish to refer to Mr. Aldrich's testimony at that time. He said:

The machinery thus provided in the bill—



Referring to the provision which was taken out at that time—

corresponds closely with the machinery which was utilized at the time of the German inflation and the French inflation with most serious consequences to the business life and the welfare of the people. In each case the central bank bought bills directly from the treasury, thereby providing funds as and when they desired. In each case, also, the treasury acted, as it no doubt supposed at the time, according to the highest sense of duty. The heads of the central banks concerned felt that they had no choice but to comply. Similar motives with even more efficient machinery such as that now proposed can produce similar results.

We know that in Germany the step led finally to the complete elimination of the German mark, to all-out inflation. In France it led to an inflation to approximately 20 percent of the former value of the French money. Mr. Aldrich quoted from Professor Angell, of Columbia University, who was an expert on the German inflation.

Professor Angell pointed out that this was the kind of thing that resulted in the German inflation. He said:

It should be observed, however, that the Government did not itself print notes, except for the negligible volume of the Reichsskassenscheine. After the end of the war the deficits in the budget were met chiefly by floating short-term treasury loans of various sorts. Of these an increasingly large proportion were discounted at the Reichsbank in exchange for Reichsbank notes, and this produced the principal increases in the currency circulation.

So the German inflation resulted exactly from the process which could be carried out under the power given in this bill.

Mr. Aldrich testified that—

When the German inflation was finally stopped, the gold mark was worth a million million paper marks. In order to prevent a repetition, the Germans in their new bank law proceeded to block up the channels between the treasury and the central bank. The new Reichsbank law was passed as part of the Dawes plan of 1924, which was drawn up, as the committee will remember, with American advice and assistance. Effective steps were taken to divorce the bank and its officials from the control of the political authorities, and severe limitations upon lending to the treasury were written into it. The latter were for the protection of the entire population against devastating inflation, and have had unvarying popular support from that time to the present, because the people as a whole have learned from experience what disaster inflation inescapably causes.

He pointed out that the French process was the same:

The lesson to be learned from the French handling of their post-inflation legislation is similar. When the French stabilized in 1928, they, like the Germans, were careful to avoid a repetition of the conditions which led up to the inflation, and tapped off about 80 percent of the gold value of their currency. The Bank of France makes no advances to the Government over the amount of a fixed loan of 3,200,000,000 francs, which it agreed to hold at the time of stabilization and has held ever since. The law gives it no authority to engage even in open-market operations except as regards the so-called Caisse bills (bills of the Caisse d'Amortissement) issued to it in 1928 in return for certain bonds of the Republic held at the time of stabilization.

There are numerous other instances.

Mr. Aldrich was asked the question:

What would be the practical effect of the difference?

The difference between open-market operations and direct purchases.

This is his answer:

The difference is this: If you can only purchase in the open market, the securities have to be in the open market. If you purchase directly from the treasury, you go directly from the banks to the treasury, as in Germany and France; and we have a bill which permits the issuance of currency against governments owned by the Federal Reserve banks themselves, so that they can go right around in a circle of buying more Government obligations and issuing notes against them.

I think there is hardly a banking authority who has not spoken against giving the Government power to make the central bank take Government bonds if required by the Government to do so. I can refer to perhaps the leading authorities, which are Sir Cecil Kisch and W. A. Elkins, and to the quotations on pages 20, 21, and 37.

Of course, I do not need to emphasize the dangers the country would suffer from all-out inflation. The theory is that the Government has power to control inflation; and I most freely admit that we could give this power and that if it were exercised with complete wisdom it would not result in inflation, or all-out inflation. I admit that inflation can be controlled; but the trouble is that, if we give this power, a great deal of the incentive to control inflation is at once removed. Here is an easy method of financing the Government. It is always in the background. We immediately take off the Secretary of the Treasury the pressure to go out and sell bonds to persons for their actual savings so that there may not be any inflationary process at all in borrowing money. We immediately take off the Secretary of the Treasury the burden of trying to maintain a reasonable market for Government bonds and maintain the credit of the Government. He does not have to worry any more about the credit of the Government, because if the credit of the Government is impaired in some way he can simply say to the banks, "You take these bonds, and we will issue paper money." There no longer is the pressure on Congress to provide taxes with which to pay the bill. If we can feel, even only in our own hearts, without expressing the thought that, after all, the Government, if it has to do so, can make the banks buy its bonds, then the pressure on us to raise the taxes that are necessary if we are finally to avoid a collapse of Government credit is that much lessened.

Even in Germany and France, when their Governments had such power during the World War, the power was not unlimited. Here, the power is unlimited. In those cases there was already a limitation on the amount of notes that the central banks could be made to take. The limit was raised from time to time, and yet it constituted a certain deterrent to pursuing that particular method of financing.

It is said that there may be certain crises; there may be a tax-day on which

the Government is short of money for a period of 24 hours—a kind of bottleneck—while it is actually collecting the taxes. It is said that on a certain day there may be a Government issue of a billion dollars or so to be sold and then an incident such as the one at Pearl Harbor may occur, the bottom may drop out of the market, and the Government may not be able to sell the bonds.

In the first place, the Government has tremendous balances, sufficient to carry it over 2 or 3 weeks, even with tremendously increased spending. In the second place, it would be perfectly easy to provide for temporary financing without giving such wide-open power to make the Federal Reserve banks take any kind of bonds. As a matter of fact, there are a dozen other ways in which such temporary crises could be handled. The general market could be supported by the purchase of Government bonds on the open market. There are three or four other methods of dealing with such a situation by temporary certificates. I do not think it presents a serious problem; and yet, if it does present such a problem, I believe the Banking and Currency Committee could work out a limitation of the power so that such particular crises could be dealt with without giving wide-open power to force on the Federal Reserve banks Government bonds in an unlimited amount, with any interest rate the Treasury might choose to fix.

There was no testimony here. Two economists testified within the past 6 months before the Banking and Currency Committee, and I telegraphed to them in order to get a statement from them. I should like to read their statements and put them in the Record. One is from Walter E. Spahr, who is, I think, an economist at New York University. He says:

It would be my judgment that it is desirable for the Reserve banks to purchase special 1-day Treasury tax-anticipation certificates as before the Banking Act of 1935, but it would be most unwise to compel the Reserve or other banks to buy Treasury notes or bonds. This would lead to a monetization of the Federal debt. It is the device used by Germany during and after the first World War. The Reserve authorities can be counted upon to support the bond market in the open market, but to force the Reserve banks to buy directly from the Treasury and at its direction should never be permitted. Only direct issuance of greenbacks is worse. Kisch and Elkins' book on central banking is replete with illustrations of sad consequences flowing from the pursuit of this course. To adopt this plan is to take the road to the German type of currency inflation—a huge expansion of convertible currency.

The other statement is by Mr. Beckhart, who, I think, is connected with Columbia University. He says:

In my opinion, removal of the open-market restrictions could be justified only if direct purchases were limited to tax-anticipation loans and were restricted as to time (quarterly) and as to amount. Otherwise removal of the restriction would open the floodgates to inflation.

Mr. President, we have been considering during the past month the price-control bill in order to prevent inflation, in order to prevent the impairment of our



currency, in order to prevent a great rise in prices that would cause hardship to all the people of this country. We were willing to sacrifice our feeling against giving to men arbitrary power to wipe out individual business and limit the farmer's activity; we were willing to give power which, under other circumstances, most of us would have refused. It seems foolish to me now to make a change in the banking law by which we grant a power which may be used to bring about exactly the opposite result from that we are trying to attain under the Price Control Act.

I feel, Mr. President, very strongly that the whole matter ought to be studied by the Banking and Currency Committee. We ought to determine what is necessary. There is no hurry; there is no representation that this is an immediate war emergency measure; the Treasury has no difficulty today in financing. The last loan was oversubscribed five times at a very low rate of interest. There is not a suggestion that this provision is needed today; we have plenty of time to consider it. It is not a question of immediate war emergency; and yet there never will be a time again when the danger that this process may be used is so great. If we are going to have to finance a \$35,000,000 deficit during the present fiscal year 1942, which is the President's estimate, certainly we want to be sure that it is going to be financed on sound principles, and that we are not going to bring about a breakdown in the midst of war. I hope very much that the Senator in charge of this bill will be willing to give the Senate further opportunity to study it and be willing to refer it to the Banking and Currency Committee.

Mr. GLASS. Mr. President, I may state that this proposition has never been considered by the Banking and Currency Committee. I have no objection to its reference to the committee; I do not attach to it the importance that the Federal Reserve Board seems to attach to it. I think the Senator from Ohio is totally mistaken in his supposition that the Government now can force the Federal Reserve banks to buy its bonds. It cannot do anything of the kind. The exercise of the authority proposed to be granted is not mandatory; it is simply permissive. It is for the 12 Federal Reserve banks, each in its respective territory, to decide whether it shall buy bonds or shall not buy bonds.

It is represented to me that it is necessary in the case of such an emergency as occurred by the action at Pearl Harbor. I do not think there will be a recurrence of that sort of incident, and it ought not to have occurred when it did occur; but there is nothing of a mandatory nature provision relative to the purchase of bonds by the Federal Reserve banks. They need not purchase a dollar of bonds unless they want to do so; it is altogether permissive.

I do not care much about it. I do not think it is going to result in any inflation whatsoever, because I do not think the Federal Reserve banks are going to buy Government bonds unless they want to buy them, and unless it is to the interest of the banks to buy them. The Federal

Reserve banks are not owned by the Government; they are owned by private authority; they are owned by the stockholder member banks of the respective districts, and the Government cannot force the banks to buy its bonds unless they want to buy them.

Mr. TAFT. Mr. President, I am somewhat surprised at the statement of the Senator from Virginia, as I only decided to oppose this provision after reading what the Senator had to say himself on the floor of the Senate in dealing with the bill of 1935 and in connection with a similar provision. At that time the Senator from Virginia said:

It is now proposed to make the open-market committee the supreme power in the determination of the credits of the country.

Of course, that was modified later by confining this power to the open market.

The Senator from Virginia said further:

No such thing was intended, and no such thing should ever be done. I do not venture very far when I say no such thing can be done. As a matter of fact, if we should put the Federal Reserve Board on the stock exchange to deal in security transactions, they would be as completely lost as the babes in the woods.

Then he said:

There is another provision of the pending bill to which I might refer, but have not, because I have no reason to suppose that it will be objected to by any Senator, though as to that I do not speak definitely.

In the operations of the open-market committee, as constituted under the bill, we provide that Government bonds may be purchased by the Federal Reserve banks, but only in the open market.

But only in the open market.

The wisdom of that ought to be manifest to anyone. Such bonds should not be purchased, under the mandatory provision of the bill, directly from the Treasury.

If that was true in 1935, it is just as true now; in fact, the danger now is infinitely greater.

Suppose, for example, the open-market quotation for Federal Reserve bonds is 10 or 20 or 25 or 30 percent below par, as once was the case. No one can conceive of any fair reason why a Federal Reserve bank should use the reserve funds of their member banks to purchase Government bonds at par directly from the Treasury when they could go into the open market and buy them at a greatly depreciated price. Therefore, we require that the purchases shall be in the open market.

The Senator from Virginia himself, in presenting the bill at that time, insisted on the insertion of these provisions, and explained to the Senate why it was extremely unwise to permit the Government ever to force the Federal Reserve banks to buy Government bonds and issue currency against such bonds.

Mr. GLASS. Mr. President, what I said in 1935 in ordinary times is good logic now, but we were not in war then; we were not threatened by war then. This is merely a temporary device proposed by the Federal Reserve Board for the existing emergent situation now; that is all it is; and there is not a line in the existing law that would compel the Federal Reserve banks to buy a dollar of United States bonds.

Mr. BARKLEY. Mr. President, inasmuch as reference has been made a time or two to the fact that this is an omnibus bill, parts of which might have gone to other committees, if bills had been introduced separately, I wish to state that I am, probably, responsible for the fact that this bill was introduced as an omnibus bill instead of being split up into six or eight bills and referred to separate committees. However, before the bill was introduced by the chairman of the Judiciary Committee I consulted with the chairman of each committee to which any part of this bill would have gone. It so happens that there were more provisions of the bill that probably would go to the Judiciary Committee than to any other single committee, and it was desirable to secure action on all these matters with as much promptness as possible. I took occasion to consult the chairmen of the committees, including the Banking and Currency Committee, the Interstate Commerce Committee, the Military Affairs Committee, the Naval Affairs Committee, and the Commerce Committee, and all other committees which would have had jurisdiction of any part of this bill if bills had been introduced separately, and, without exception, the chairmen of those committees agreed that it would be better to introduce it as a single bill.

Now with reference to the provision of the bill to which the Senator from Ohio objects, I wish to reiterate what the Senator from Virginia has stated about it. Until 1935 the Federal Reserve banks had the right to buy Government bonds directly, not in the open market, for reasons that were potent at that time. When the Glass-Steagall bill was passed it restricted their power to buy Government bonds to the open market. Here is what happened about that: The Senator from Virginia has referred to the Pearl Harbor incident. The Treasury had offered for sale, I think, \$150,000,000 of short-term obligations. Nobody knew then what condition the market would be following the Pearl Harbor incident. The open-market committee of the Federal Reserve Board is made up of the Directors of the Federal Reserve Board, plus 5 others chosen by the 12 Federal Reserve banks. The committee deals very largely through the Federal Reserve bank in New York, which is the fiscal agent. The Federal Reserve Board instructed their Open Market Committee, in order that there might be no uncertainty with respect to the sale of the \$150,000,000 of short-term obligations, to go into the open market and offer a premium on the price of the Government obligations that were to be issued. They authorized a price of 101.3, plus a commission charged by the brokerage houses through which they bought the obligations which were being sold that very day. So, in order to obtain \$26,000,000 of the \$150,000,000—I think it was approximately \$20,000,000—that the Open Market Committee of the Federal Reserve System bought, they were required to pay the premium, which was the market price at which they were sold, plus a commission. It so happened that the disaster at Pearl Harbor did not affect the market as unfavorably as many might have feared,



and all they were required to do was to buy about \$20,000,000 of the \$150,000,000 issue.

What is desired here has been under consideration by the Federal Reserve Board for weeks and weeks. The recommendation was unanimous among the directors of the Federal Reserve Board and among the Open Market Committee, representing the Federal Reserve System, and it was unanimous with the Treasury. It was cleared by all those interested in the sale and marketing of Government bonds before it was included in this legislation. Under the present law, the Open Market Committee of the Federal Reserve banks not only cannot buy directly long-term securities from the Treasury but they cannot purchase short-term securities without going into the open market and paying the market price for them. They cannot even buy a 6-month obligation, they cannot even buy an obligation payable tomorrow, directly from the Treasury. They must go into the open market and pay the market price. The Federal Reserve System, as the Senator from Virginia says, is not owned by the Federal Government; and the deletion of the words "but only in the open market" places no greater obligation on the Federal Reserve banks than now exists in the law.

Mr. TAFT. Mr. President—

Mr. BARKLEY. They are not required to buy these obligations; but, if they buy them, they are required to buy them in the open market. The elimination of these few words will give them the right to buy the obligations directly from the Treasury not under compulsion but of their own volition.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. Yes.

Mr. TAFT. I know the Senator does not want to misstate the law, but the law is perfectly clear. The Open Market Committee can make the 12 Federal Reserve banks go into the market and buy bonds today; and the elimination of these words gives them power to make the Federal Reserve banks buy direct from the Treasury an issue of two or three billion dollars of any maturity and of any rate of interest the Treasury may have set on the issue.

Mr. BARKLEY. All that amounts to is that in the event the Open Market Committee decide, on behalf of the Federal Reserve banks, to buy twenty or fifty million dollars' worth of Government obligations, they shall allocate that amount among the Federal Reserve banks, which may or may not buy, as they may see fit to do.

Mr. TAFT. But the Open Market Committee is the Federal Reserve Board, and the Federal Reserve Board is the Government of the United States.

Mr. BARKLEY. No; I do not agree that the Federal Reserve Board is the Government of the United States, or that the Open Market Committee is the Federal Reserve Board. It is true that the members of the board of directors of the Federal Reserve System are members of the Open Market Committee; but the 12 banks scattered all over the United States also select 5 additional members

of the Open Market Committee who serve with the members of the Board.

Mr. TAFT. That, however, is a minority of the Board.

Mr. BARKLEY. Yes; it is a minority, but it is a very influential minority.

Mr. TAFT. The Board can force anything it wants to force. I think the Senator should be willing to admit that the effect of this provision of the bill is to permit the Federal Reserve Board—the Open Market Committee, if the Senator chooses to call it that—to force the 12 Federal Reserve banks to buy directly from the Treasury.

Mr. BARKLEY. No; they have no more power than they now have to force the banks to do so. The only difference is that they can buy these obligations directly from the Treasury, instead of having to go out in competition with everybody else and buy them on the stock market, and then distribute them among the banks they represent.

Mr. TAFT. But it is not a question of the power of the banks. It is a question of the power of the Federal Reserve Board to make the banks buy direct from the Treasury. That is the effect of the amendment.

Mr. BARKLEY. No; the amendment has nothing to do with that. The only difference the adoption of the amendment will bring about is that the Federal Reserve System, or the banks, or the Open Market Committee, can go down to the Treasury and buy these obligations from the Treasury of the United States, instead of having to go to the stock market in New York and buy them and pay the premium on them. That is the only difference. There is no more authority conferred, there is no more power, there is no more intimidation, there is no more coercion with these words out that there is at the present time.

Mr. TAFT. I suppose I cannot convince the Senator; but, obviously, today the Federal Reserve Board, controlling a majority of the Open Market Committee, can make the 12 Federal Reserve banks buy in the open market.

Mr. BARKLEY. No.

Mr. TAFT. By taking out these words we change the law so that the Federal Reserve Board can make the Federal Reserve banks buy direct from the Treasury any issue that the Treasury sees fit to have them buy.

Mr. BARKLEY. No; the Senator now is not being quite frank. The Federal Reserve Board and the Open Market Committee cannot compel any Federal Reserve bank to go to the Treasury and buy bonds. They may be able to buy a certain issue of bonds and distribute them among the banks; but unless the Open Market Committee, as the agent of the Federal Reserve System, themselves buy these bonds, they cannot compel the Federal Reserve bank in St. Louis, or in Dallas, or in New York, to go to the Treasury and buy bonds.

Mr. TAFT. I think the last statement of the Senator from Kentucky is clearly wrong. The Open Market Committee itself has no power to buy bonds, and cannot go into the market and buy bonds, but it can tell the 12 banks to go into the market and buy them.

Mr. BARKLEY. It acts as the agent of the Federal Reserve System in determining the extent to which—

Mr. TAFT. The extent to which the banks must buy bonds.

Mr. BARKLEY. Not must buy bonds, but may buy bonds.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. Yes.

Mr. TAFT. If there is a difference of opinion on a complicated question so vital to the whole currency system, it only emphasizes the fact that this matter ought to go to the Banking and Currency Committee, and we ought to straighten out what it means if it does not mean what I say it means; and we ought to impose the proper kind of limitations.

Mr. BARKLEY. This provision is one of the simplest propositions that ever appeared in a bill. There is nothing complicated about it.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. Just a moment. There are no complications or labyrinthine intricacies to be worked out by the Banking and Currency Committee. All the amendment does is to say that the Federal Reserve banks can buy these bonds directly, instead of having to go into the open market. That is all it does. We might have a session of the Banking and Currency Committee for a month, and they could not make the amendment any simpler or any clearer than it is.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. BARKLEY. I yield to the Senator from Michigan.

Mr. VANDENBERG. It would help my thinking on this matter if the Senator would tell me why these words were put into the law in 1935 and what danger it was that it was thus sought to protect against.

Mr. BARKLEY. The Senator from Virginia [Mr. GLASS] probably is in better position to answer that question than I am, because he was the author of the bill. I will state that up until 1935 the banks had the authority which they will have if this amendment is adopted. It was not used extensively.

Mr. VANDENBERG. There must have been some reason for writing in the language, and there must have been some danger to be protected against.

Mr. BARKLEY. The Senator from Virginia is the author of the law. I will yield to him.

Mr. GLASS. We simply did not want the Federal Reserve banks to go into speculative business; that is all.

Mr. BARKLEY. That is correct, and, as the Senator said a while ago, we were in normal conditions at that time, and there had not been any very large amount of speculation up to that time among the Federal Reserve banks.

Mr. GLASS. No; at that time the Federal Reserve banks had not bought a great many bonds, and I do not think they ever should have done so, because the banks are now filled up with bonds.

Mr. BARKLEY. We were in a situation in which we were being required to borrow considerable amounts of money



to carry on the Government under the program of reconstruction and rehabilitation, and it was felt, as a matter of caution, the Federal Reserve banks should be limited to the facilities enjoyed by the ordinary citizen at that time, of going into the open market and buying bonds at the market price.

Mr. VANDENBERG. Was it not also the purpose to throw an additional barrier between the power of the Treasury in respect to the issuance of bonds and the power of the Federal Reserve Board, as such, to purchase those bonds? Was it not also sought, I ask the Senator from Virginia, to inject the element of bringing these particular transactions more intimately into the jurisdiction of the member banks and their representatives themselves?

Mr. GLASS. It was to give the 12 Federal Reserve banks the discretion to buy the bonds directly, to go into the open market and purchase the bonds, instead of speculating in them. As a matter of fact, this is to be a mere temporary arrangement, anyway. It will expire with the end of the war, and may expire 10 days after its adoption, on passage of a concurrent resolution, or by Executive order.

Mr. VANDENBERG. I understand that.

Mr. BARKLEY. The amendment is intended to facilitate, insofar as it may facilitate, the financing of the war obligations. We do not know what is going to be the result. None of us knows how large our Government obligations may be before the war shall end, and it seems to me, and it has seemed to the committee, that no barrier should be set up by law during this emergency against the Federal Reserve System, which is in a sense an agency of the Government, although not controlled by it, except as its members are appointed by the President and confirmed by the Senate, so that in the event of any emergency in which the Federal Reserve System could better serve the purposes of financing the war they should be allowed to do so by buying bonds directly from the Treasury, at par, if the Treasury shall sell them at par, or whatever the terms may be, rather than be required to pay a commission and to pay a premium on whatever bonds they buy merely because they have to go through the technicality of having someone in New York buy the bonds at the market price, and then take them off their hands.

Mr. VANDENBERG. I am not arguing with the Senator about the necessity of an emergency formula. If there is need for an emergency formula, that is one thing; but I am unable to follow the Senator's effort to make it appear that we really are not doing very much if anything to the law if we do this. Let us be quite frank if we are doing it in the name of the emergency. I remember very well when this matter was before us on a prior occasion, and I recall how completely the able Senator from Virginia convinced me that this phrase was an essential protection against undue exploitation of the financial power of the Treasury in connection with bond issues.

Mr. BARKLEY. As a member of the Committee on Banking and Currency, I concurred with the Senator from Virginia, the chairman of the committee, in that legislation. We are in a different situation now, and I dare say that if we were not, this bill would not be before us.

Mr. VANDENBERG. But we are giving away something important when we do it. That is what I am trying to say, and the Senator is trying to indicate that we are not, it seems to me.

Mr. BARKLEY. Not at all. I think it is more technical than substantial, because the Federal Reserve banks can go into the open market and buy these bonds, and pay for them what other people pay, the market price plus commission; but in this emergency it seemed there should be a more direct approach to the purchase of the bonds than this round-about way, wherein they may be required to go to some bank in New York, or to the Open Market Committee, which has been established by law. In other words, it seemed that the technicality of requiring them to go through two hands in order to get a Government bond in this emergency should be eliminated, so that they could buy the bonds direct from the Treasury. That is all the bill does.

Mr. VANDENBERG. Would the Senator concede that the proper flow of Government bonds from the Treasury into the Federal Reserve system might well be a channel of inflation?

Mr. BARKLEY. I think if abused it might be; yes.

Mr. VANDENBERG. Are we not by this action widening and deepening the channel?

Mr. BARKLEY. That all depends. If there is no difficulty in marketing Government obligations, in all probability the Federal Reserve System will not take advantage of the proposed law. I have discussed this matter with the head of the Federal Reserve System and with the officials of the Treasury. It is an emergency matter, to enable them to facilitate the financing of the Government's obligations in the event they are not able to do so in the normal channels.

I hope the amendment of the Senator from Ohio will not be agreed to. In my judgment, there is no purpose which can be served by taking this provision out of the bill and referring it to the Committee on Banking and Currency in order that it may deal with the subject. It is simple enough for us to deal with it here.

Mr. TAFT. Mr. President, the very fact that I have to make this reply, I think, answers the charge that it is simple. It is not simple. The phrase "but only in the open market" was written into the 1935 act because in that act Congress for the first time gave authority to the Federal Reserve Board to order Federal Reserve banks to buy bonds. That was the first time that went into the law. That is why this restriction was inserted, because it is one thing to order banks to go out and buy in the open market, but it is another thing to order them to buy any issue the Treasury chooses to put out at any rate of interest it chooses to put on the issue.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. GLASS. I should like to have the Senator point out any existing law under which the Treasury can require a Federal Reserve bank to buy bonds.

Mr. TAFT. Subsection (b) of section 263 provides—

No Federal Reserve bank shall engage or decline to engage in open-market operations under sections 353 to 359 of this title—

And the one with which we are dealing is section 358—

except in accordance with the direction of and regulations adopted by the (Open Market) Committee.

That is the provision. The Senator from Virginia so construed it himself in 1935. He said to the Senate:

Suppose, for example, the open-market quotation for Federal Reserve bonds is 10, or 20, or 25, or 30 percent below par, as once was the case. No one can conceive of any fair reason why a Federal Reserve bank should use the reserve funds of their member banks to purchase Government bonds at par directly from the Treasury when they could go into the open market and buy them at a greatly depreciated price.

He had said just before that:

Such bonds should not be purchased, under the mandatory provision of the bill, directly from the Treasury.

Mr. BARKLEY. Will the Senator permit me to read the statute on the subject? Mr. TAFT. Certainly.

Mr. BARKLEY. It reads:

Provided, That any bonds, notes, or other obligations which are direct obligations of the United States, or which are fully guaranteed by the United States as to principal and interest, may be bought and sold without regard to maturities, but only in the open market.

All we are doing here is striking out the phrase, "but only in the open market," so that they still may buy them, regardless of whether it is in the open market or otherwise.

The PRESIDING OFFICER (Mr. OVERTON in the chair). The question is on agreeing to the amendment of the Senator from Ohio [Mr. TAFT].

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|            |                 |               |
|------------|-----------------|---------------|
| Aiken      | Gerry           | Overton       |
| Andrews    | Gillette        | Radcliffe     |
| Austin     | Glass           | Reed          |
| Bailey     | Green           | Reynolds      |
| Ball       | Hayden          | Rosier        |
| Bankhead   | Herring         | Russell       |
| Barkley    | Hill            | Shipstead     |
| Bilbo      | Holman          | Smathers      |
| Bone       | Johnson, Calif. | Smith         |
| Brewster   | Johnson, Colo.  | Stewart       |
| Brown      | Kilgore         | Taft          |
| Bulow      | La Follette     | Thomas, Idaho |
| Bunker     | Lee             | Thomas, Okla. |
| Burton     | Lucas           | Thomas, Utah  |
| Butler     | McFarland       | Tobey         |
| Byrd       | McKellar        | Truman        |
| Capper     | McNary          | Tunnell       |
| Caraway    | Maloney         | Tydings       |
| Chandler   | Maybank         | Vandenberg    |
| Chavez     | Mead            | Van Nuys      |
| Clark, Mo. | Millikin        | Wagner        |
| Connally   | Murdock         | Wallgren      |
| Danaher    | Murray          | Walsh         |
| Doxey      | Norris          | White         |
| Ellender   | O'Daniel        | Willis        |
| George     | O'Mahoney       |               |



The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I desire to withdraw the amendment to the bill which I have offered and to submit another amendment in place thereof, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 8, line 11, it is proposed to strike out the period and quotation marks and to insert a colon and add:

*Provided further, however, That such obligations purchased directly from the Treasury shall not have a maturity of over 30 days, and the total amount purchased directly from the Treasury and held by the 12 Federal Reserve banks at any one time shall not exceed \$2,000,000,000.*

Mr. TAFT. Mr. President, my original motion was to refer this matter to the Banking and Currency Committee for consideration, because I think it is a highly technical matter, and it has not had the consideration it should have had, but it has been debated at some length already in the Senate, and it seems to me the best thing to do is to present the issue directly to the Senate.

It is proposed by the amendment to limit the power conferred by title IV. I think it is perfectly clear that if we adopt the language of the title as it now is, it will give the Federal Reserve Board appointed by the Government, through its control of the open-market committee, power to tell the 12 Federal Reserve banks that they must buy Government bonds directly from the Treasury at any rate of interest it sees fit to fix on those bonds.

I have not heard any one say that the Board ought to have that right. I have not heard any justification for such a power. The only answer has been that there are times, such as when there is a military disaster or on other occasions when the bond market is temporarily depressed, when it is necessary to tell the Federal Reserve banks to bolster up the bond market temporarily. I think that is dangerous, though it is not a great danger. So I have proposed by the amendment that the only kind of securities these banks may be compelled to buy by the Government are 30-day notes, and that the total amount they shall ever hold at any one time, without further action by Congress—we can change it if we want to—shall not exceed \$2,000,000,000.

So far as I can see that meets every need which has been expressed on the floor, or in the committee hearings, or anywhere else, for the granting of this particular power. It enables the banks to help the Government to carry over temporarily. I feel that if we do not put such a restriction in the bill we shall grant to the Government power to force the banks to buy an unlimited amount of Government bonds, we shall provide an easy way, we shall take off all the pressure in favor of sound financing, all the pressure against inflation which we have built up in the legislation dealing with price control and other legislation.

I hope very much that the Senator in charge of the bill may be willing to accept the limitation I suggest.

Mr. O'MAHONEY. Mr. President, I shall say only that the Senator from Ohio was good enough to show me a copy of the amendment before he offered it. It has been submitted to the Federal Reserve Board, and I can say that the Federal Reserve Board feels that it should not be adopted.

It is worth pointing out that the proposal contained in the bill was submitted before it came out of the committee to the chairman of the House Banking and Currency Committee as well as to the chairman of the Senate Banking and Currency Committee, and there was complete agreement on their part that the power here proposed to be granted should be sustained.

Therefore I feel that I am not in a position to accept the amendment offered by the Senator from Ohio. Let me suggest to him that the bill is being acted upon in the first instance in the Senate. It will go from the Senate to the House, and will be under review there by the appropriate committee of the House. Every phase of it will be open for consideration and reconsideration. It seems to me that the proper thing to do is for the Senate to reject the amendment and let the question be raised, if it seems desirable, in the House committee. So I hope the amendment will be rejected.

Mr. TAFT. Mr. President, it seems to me that in a matter of this importance the Senate ought to decide its own problems and not ask me to introduce my amendment in the House of Representatives.

I talked with two members of the Federal Reserve Board, and they took the same position as that taken by the Senator from Wyoming. Their argument was, "We will not abuse this power. Surely you can trust us." That is an argument for any power.

Mr. President, I think that this amendment is of sufficient importance for me to ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish merely to reiterate what the Senator from Wyoming has said. The Senator from Ohio reminds me of the spinster of whom it was said that she prayed, "Lord, give me a man." The constant prayer of the Senator from Ohio is, "Lord, give me an amendment." [Laughter.]

A while ago the Senator from Virginia [Mr. GLASS] and I emphasized—evidently without convincing the Senator from Ohio—that this language is permissive and not mandatory. The language we are amending is permissive. It uses the word "may." The banks may buy these bonds. If we should impose a limitation of 30 days such a limitation would certainly handicap the Federal Reserve Board in attempting to help finance the obligations of the Government. I share the hope that the amendment will be rejected.

Mr. GEORGE. Mr. President, I have no desire to discuss the amendment. I am not prepared to accept the amendment offered by the Senator from Ohio, because I have no advice on the important question raised by this amendment;

that is, How would it affect the marketability of other bonds and securities? Nor have I any advice as to what the present holdings of securities by the Federal Reserve banks may be.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. TAFT. I can tell the Senator what the present holdings are. The Federal Reserve banks now hold two and a quarter billion dollars of Government bonds. The proposed limitation, of course, would apply only to bonds purchased direct from the Treasury. It would not affect in any manner the amount of bonds purchased on the open market.

Mr. GEORGE. I understand. However, I do not know how the system of financing under the limitations proposed by the amendment would affect the general problem of financing the war effort, or how it might affect the market value of long-term securities.

Mr. President, I regard this amendment as a very dangerous one, to put it mildly, because if the provision were adopted and used extensively it would relieve any pressure for sound financing. It goes directly to the question of inflation. There is no doubt about it.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. VANDENBERG. The Senator is now speaking of the amendment proposed in the bill, and not the amendment offered by the Senator from Ohio, is he not?

Mr. GEORGE. Yes; I am speaking about Title IV. I think the proposed change in the Federal Reserve law is of doubtful advisability. It is true that prior to 1935 the same thing could have happened. The Treasury could have sold its securities direct to the Federal Reserve banks. However, it is also true that we were not then engaged in war, and there was no very great threat of inflation. Just now we are moving into the time when we have every single factor which may and will produce inflation.

In the last analysis, inflation means a Government deficit. Inflation is measured almost directly by the Government deficit, because we must take care of the deficit somehow. If we take care of it out of current earnings, we escape a great part of the threat. If we take care of it out of past earnings, we only mitigate the evil. But when we commence taking care of the deficit by the Government or the banks issuing money, then we step right into the current which will wreck any government if such a course is pursued.

I do not obtain very much comfort from the suggestion of the distinguished Senator in charge of the bill [Mr. O'MAHONEY] that the Federal Reserve banks are privately owned, and that they are not commanded to buy or to take whatever the Treasury may offer. The statement is literally true; and yet I know that the Secretary of the Treasury is a member of the Federal Reserve Board. I know very well—as all of us must know—that if the Government offers securities to the Federal Reserve banks the



Federal Reserve banks will take them. If enough of them are offered, and if the banks take enough of them, we have inflation. We need not argue about it. Everybody knows the size of the present deficit. It is true that it is already covered by securities. Everybody knows how rapidly the deficit will climb. None of us knows exactly where it will stop.

I think that the amendment proposed by the bill is charged with possibilities of ill which cannot be overstated. I hesitate to withhold the power from the Government, because the occasion may arise when it must be used. I should have no very great concern about sending the question to the Banking and Currency Committee, because the issue is simple and direct. While all of us ought to have more information than we now have on it, I think the Senate is prepared to vote on the question. I do not want to vote for the amendment which the Senator from Ohio has offered as a substitute for his original amendment, which was to let the question go to the Banking and Currency Committee, because I do not know how that amendment, in actual operation, might affect the market for Federal securities. Nor do I know whether the amendment would give enough leeway to prevent disaster to the Government in the trying days which are ahead of us. I do not want to vote for the bill with this amendment in it without making it perfectly clear that I realize, as does every other Senator, exactly the potentialities involved, and without expressing the hope that the Treasury will not use this power, and that if Government pressure is sought to be used the banks will stand against it.

Mr. VANDENBERG. Mr. President, I wish to associate myself with the observations made by the able Senator from Georgia respecting the inherent hazard of the text as reported by the committee. It seems to me that it is beyond answer that if we dig a straight channel from the Treasury to the Federal Reserve System we build a channel of potential inflation. We have been spending days and weeks in seeking to curb inflation. Yet, so far as fiscal inflation is concerned, in striking from the present statutes just half a dozen protective words, we substantially checkmate everything we have heretofore done because this is the real approach of inflation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. O'MAHONEY. Let me make just this observation: It is perfectly obvious, I think, from what has been said on the floor and from what has been done, that in Congress there is a desire to prevent inflation. I think it is equally true that on the whole the recommendations which have come from the Government have indicated a desire to achieve the same purpose.

Mr. VANDENBERG. I agree to that.

Mr. O'MAHONEY. Furthermore, we have the knowledge that the Members of the Senate and of the House who are serving upon the Finance Committee and the Ways and Means Committee are also fully aware of the dangers of inflation, and that taxation—rigorous taxation

and courageous taxation—will be the real answer to the danger of inflation.

Mr. VANDENBERG. I agree to that, too.

Mr. O'MAHONEY. I am sure that when the time comes the Finance Committee will report such a bill; and when such a bill is on the statute books it will be found, in my judgment, that the power granted here will be exercised in the manner indicated by the Senator from Georgia [Mr. GEORGE], and in the manner in which the senior Senator from Michigan would like to have it exercised. My own feeling is that we can and must rely upon the Federal Reserve Board and upon the Treasury officials to exercise caution and discretion in carrying out this power.

Mr. VANDENBERG. Mr. President, I have no quarrel with any of the observations of the able Senator from Wyoming, except that I think they are entirely beside the point which I am presenting. I quite agree that heavy taxation, to the limit of our capacity to pay, is our primary reliance against fiscal inflation; but, Mr. President, after we have raised the next \$9,000,000,000 of taxes—if, as, and when we do so—there will still remain a deficit of fifteen or twenty billion dollars which must be financed by borrowing. Every possible impulse, every possible emphasis, should be put upon forcing that borrowing into the channels of private investment. If it is forced into the banking channel, it will be a stimulation to inflation, rather than a check.

In its naked text the proposal submitted by the committee is an encouragement to the flotation of the securities necessary to meet the deficit through the banks, through the inflationary method, instead of through the noninflationary method. It is said that this is an emergency, and that therefore the bill must be treated as an emergency measure.

Mr. President, the emergency is twofold. I freely concede that there may be a borrowing emergency which the Treasury may confront, which temporarily may require some sort of a recourse of this nature; but, alongside of that, and paralleling it, is the emergency which we confront in respect to the fiscal situation and inflation.

The amendment proposed by the Senator from Ohio does not close the channel. It opens it precisely as does the text of the bill. But the amendment proposed by the Senator from Ohio puts just one small dam in the channel, which has to be recognized as a means of protecting the things we all recognized as needing protection when this phrase was written into the law in 1935. The amendment proposed by the Senator from Ohio leaves an emergency power for any financial necessities which the Treasury may confront. It simply insists that the exercise of the power shall be confined to an emergency, and shall not be used beyond an emergency necessity. I submit that is simply fundamental, elementary prudence, if we have the slightest realistic interest in preventing inflation.

Mr. LA FOLLETTE. Mr. President, since there is to be a record vote on this question, I wish to say a few words in

explanation of the vote I shall cast. I cannot support the amendment offered by the Senator from Ohio, although I recognize that there is a great deal of force in the arguments which both he and the senior Senator from Michigan have presented in its behalf. It is my own view, however, that because of the astronomical figures with which we are now dealing in connection with this war, and in view of the fact that we all know that during this very month and during practically every month of the war, so long as it lasts, the present appropriations will be tremendously augmented. I do not think we can safely withhold this power from the Treasury Department. As all Senators know, in connection with every tax bill, I have endeavored to the best of my ability to secure a larger percentage of the financing of our defense, and now of our war effort, through taxation; but I have grave doubt, Mr. President, that the people of this country can be forced to disgorge in the form of taxation a sufficient amount of annual revenue to finance any substantial proportion of the war effort if appropriations running to such astronomical figures, which are constantly discussed and then are submitted to the Congress for action, are to be voted. Therefore, I think we are to a certain extent, by the force of the circumstances in which we find ourselves, compelled to venture upon some rather uncharted and stormy financial seas. In such a situation, much as I respect the author of the amendment and his judgment, I am not ready, upon the state of facts thus far presented, to be willing to say, by supporting his amendment that I think its restrictions are of such a nature that they would give the Federal Reserve Board and the fiscal policy makers of the Government sufficient latitude to enable them to meet the complex and unprecedented financial problems which we already confront, and which will grow apace with every month the war continues.

Mr. TAFT. Mr. President, I do not want to take the Senate's time by prolonging the discussion; but no one, either in the Government or elsewhere, has stated that the power sought is needed or is proposed to be used in order to obtain the large sums of money with which to finance the war. It has only been stated that such power is desired in case of emergencies; it is desired because temporarily there may be a soft spot in the bond market; it is desired because on tax day there is a kind of bottleneck in funds. Those are the only claims which have been advanced.

The Government has not said it has to have this power in order successfully to finance the war. Some day it may need such power, but I hope that day will never come, because if we ever reach the point when the Government must have this power in order to finance the war, then our currency will be gone; there will not be any value left in the currency if the Government ever is forced to the point where it will be required to use it in large volume.

The object of my amendment is to say, "All right; you can use it temporarily;



you can use it for 30-day paper; you can use it to bolster up the market temporarily. Two billion dollars is ample for that purpose; 30 days is plenty long enough for that purpose."

So if we pass the bill with my amendment added, we shall have met every demand that has been made by the Government and supported by any reason whatsoever.

**THE PRESIDING OFFICER.** The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT]. On this question the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CHANDLER (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS], who is unavoidably absent from the Senate. I transfer that pair to the Senator from Florida [Mr. PEPPER] and will vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from Pennsylvania [Mr. GUFFEY], and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from New Mexico [Mr. HATCH] is absent from the Senate because of illness.

The Senator from Idaho [Mr. CLARK], the Senator from California [Mr. DOWNEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Delaware [Mr. HUGHES], the Senator from Nevada [Mr. McCARRAN], and the Senator from Arkansas [Mr. SPENCER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] is detained on important public business.

The Senator from Montana [Mr. WHEELER] is detained in a committee meeting.

Mr. O'MAHONEY. I announce the necessary absence of my colleague [Mr. SCHWARTZ].

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] is absent pursuant to his duties as a member of the Anthracite Commission appointed by the President to study conditions in the industry.

The Senator from New Hampshire [Mr. BRIDGES] is absent in a hospital because of a hip injury.

The Senator from New Jersey [Mr. BARBOUR] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Massachusetts [Mr. LODGE] is necessarily absent.

The result was announced—yeas 25, nays 51, as follows:

## YEAS—25

|            |                 |            |
|------------|-----------------|------------|
| Aiken      | Danaher         | Taft       |
| Bailey     | Gerry           | Tobey      |
| Ball       | Holman          | Tydings    |
| Brewster   | Johnson, Calif. | Vandenberg |
| Burton     | Johnson, Colo.  | Walsh      |
| Butler     | McNary          | White      |
| Byrd       | Maloney         | Willis     |
| Capper     | Millikin        |            |
| Clark, Mo. | Shipstead       |            |

## NAYS—51

|          |         |        |
|----------|---------|--------|
| Andrews  | Barkley | Brown  |
| Austin   | Bilbo   | Bulow  |
| Bankhead | Bone    | Bunker |

Caraway  
Chandler  
Chavez  
Connally  
Doxey  
Ellender  
George  
Gillette  
Glass  
Green  
Hayden  
Herring  
Hill  
Kilgore

La Follette  
Lee  
Lucas  
McFarland  
McKellar  
McKellar  
Maybank  
Mead  
Murdock  
Murray  
Norris  
O'Daniel  
O'Mahoney  
Overton  
Radcliffe

Reynolds  
Rosler  
Russell  
Smathers  
Smith  
Stewart  
Thomas, Idaho  
Thomas, Okla.  
Thomas, Utah  
Truman  
Tunnell  
Van Nuys  
Wagner  
Wallgren

## NOT VOTING—20

Barbour  
Bridges  
Brooks  
Clark, Idaho  
Davis  
Downey  
Guffey

Gurney  
Hatch  
Hughes  
Langer  
Lodge  
McCarran  
Nye

Pepper  
Reed  
Schwartz  
Spencer  
Wheeler  
Wiley

So Mr. TAFT's amendment was rejected.

## MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5990) to further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes, and it was signed by the President pro tempore.

## EXTENSION OF WAR POWERS

The Senate resumed the consideration of the bill (S. 2208) to further expedite the prosecution of the war.

Mr. VANDENBERG. Mr. President, on behalf of the junior Senator from Illinois [Mr. BROOKS], who is necessarily absent on important business, and at his request, I offer the following amendment:

On page 11, line 14, I move to strike out the phrase "assigned to duty outside of the continental United States."

The purpose of the amendment is obvious, and the intention of the able junior Senator from Illinois is clear. He wishes to present to the Senate the proposition that free postage for soldiers, sailors, and marines should be a general privilege, and should not be confined to external military units.

Mr. O'MAHONEY. Mr. President, when the Senator from Illinois [Mr. BROOKS] was present in the Chamber 2 days ago, he rose to explain the amendment. I said at that time that the amendment had been considered by the committee, and that it was the judgment of the committee that since a formal bill dealing with this matter is now pending in the Senate before the Committee on Post Offices and Post Roads the matter should be disposed of there, and not in this manner.

Mr. VANDENBERG. Why does not that consideration apply to the entire section?

Mr. O'MAHONEY. The reason for that judgment is that the salaries of postmasters in the United States are regulated by stamp sales. Numerous new post offices and postal stations have been established in connection with and in the vicinity of camps and cantonments. To adopt this amendment for continental United States would bring about conditions which might very seriously discommode or upset the Postal

Service. The committee held no hearings upon the matter; but it was content to extend the privilege of free postage, as in previous wars, to those serving outside continental United States.

The feeling of the committee is that this proposal should be rejected, and that it should be considered by the Committee on Post Offices and Post Roads.

Mr. VANDENBERG. Mr. President, I join the able Senator from Wyoming in worrying as much as I should about the pay of postmasters. I suppose it is a serious consideration; but, as between the pay of postmasters and their income and the pay and income of a \$21-a-month soldier in the ranks, I must confess that I shall give the latter the preponderance of my sympathy. If this is an issue between the postmasters and the soldiers, I am perfectly satisfied to let it go at that; and I ask for the yeas and nays on the amendment.

Mr. LA FOLLETTE. Mr. President, I ask for a record vote on the amendment. Are Senators afraid to go on record concerning it? I suggest the absence of a quorum.

**THE PRESIDING OFFICER.** The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

|              |                 |               |
|--------------|-----------------|---------------|
| Aiken        | Gillette        | Overton       |
| Andrews      | Glass           | Radcliffe     |
| Austin       | Green           | Reed          |
| Ball         | Gurney          | Rosler        |
| Bankhead     | Hayden          | Russell       |
| Barkley      | Herring         | Shipstead     |
| Bilbo        | Hill            | Smathers      |
| Bone         | Holman          | Smith         |
| Brewster     | Johnson, Calif. | Stewart       |
| Brown        | Johnson, Colo.  | Taft          |
| Bulow        | Kilgore         | Thomas, Idaho |
| Bunker       | La Follette     | Thomas, Okla. |
| Burton       | Lee             | Thomas, Utah  |
| Butler       | Lucas           | Tobey         |
| Byrd         | McFarland       | Truman        |
| Capper       | McKellar        | Tunnell       |
| Caraway      | McNary          | Tydings       |
| Chandler     | Maloney         | Vandenberg    |
| Chavez       | Maybank         | Van Nuys      |
| Clark, Idaho | Mead            | Wagner        |
| Clark, Mo.   | Millikin        | Wallgren      |
| Danaher      | Murdock         | Walsh         |
| Doxey        | Norris          | Wheeler       |
| Ellender     | Nye             | White         |
| George       | O'Daniel        | Willis        |
| Gerry        | O'Mahoney       |               |

**THE PRESIDING OFFICER.** Seventy-seven Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] on behalf of the Senator from Illinois [Mr. BROOKS].

Mr. VANDENBERG. I now ask for the yeas and nays on the pending amendment.

**THE PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative when his name was called.

Mr. BARKLEY. Mr. President, I wish to make an inquiry, and I sought recognition before there was any answer. I desired to inquire of the Senator from Michigan or the Senator from Wyoming, or any Senator who can answer the question, whether the amendment involves only first-class mail matter, letters, or whether it involves all sorts of mail which might be sent.

Mr. VANDENBERG. The language of the bill is "ordinary letters." It applies



to whatever privileges the bill itself would extend to soldiers and sailors outside the country.

Mr. BARKLEY. So it would cover letters and first-class mail matter?

Mr. VANDENBERG. I should think so.

Mr. O'MAHONEY. Mr. President—

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. LA FOLLETTE. Regular order!

Mr. O'MAHONEY. I was recognized.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. O'MAHONEY. As I stated when the Senator from Michigan first presented the amendment, the proposal is under consideration by the Committee on Post Offices and Post Roads in the form of a bill introduced by the Senator from Arizona [Mr. McFARLAND].

Mr. AIKEN. Mr. President, I should like to inquire whether the roll call has been discontinued. My name had been called and I had voted.

The PRESIDING OFFICER. The Chair recognized the Senator from Wyoming.

Mr. LA FOLLETTE. I make the point of order that the roll call had started, and that the Senator from Vermont had voted in the affirmative.

The PRESIDING OFFICER. The recollection of the Chair is, and the understanding of the Chair is, that the Chair ordered the clerk to call the roll, but before the Senator from Vermont had answered the Chair recognized the Senator from Wyoming.

Mr. LA FOLLETTE. If we are to reopen the debate on this matter, that is one thing. The Senator from Kentucky rose and interrupted the roll call—

Mr. BARKLEY. Mr. President, I did no such thing. I was recognized before anyone answered to the roll call.

Mr. SMITH. Regular order.

The PRESIDING OFFICER. The Senate will be in order. The Chair has recognized the Senator from Wyoming. The roll call will not be proceeded with, and the Senator from Wyoming will proceed.

Mr. O'MAHONEY. Mr. President, I merely desire to make myself clear. We all understand the methods which are sometimes used in parliamentary bodies, when members say, "Now, let us have a roll call on this. If we have a roll call, perhaps we can appeal to the emotional instincts of the members of the body, and so get a result which might not otherwise be obtained."

I merely wish to say that, recognizing the effective tactics which are being employed here, and despite the fact that the matter is under consideration by a regularly constituted committee of the Congress, despite the fact that the Committee on the Judiciary was advised that the Post Office Department had considerations to offer before such a privilege should be granted, despite the perfectly obvious fact that such an amendment, if adopted, will have an upsetting effect upon the Post Office Department, I rose before the roll call was started for the purpose of saying that I should be perfectly willing to accept the amendment and take it to conference, where, by committee action, it will be possible to draft

language that will take into consideration all the innumerable factors which, in the nature of things, cannot be considered on the floor of the Senate. This is merely a plea for sound legislative procedure. That is all I intended to say.

Mr. LA FOLLETTE. Mr. President, the yeas and nays have been ordered, and the order cannot be withdrawn without unanimous consent. I insist that the roll be called. Since this matter is to go to the House, I should like to have the Senate recorded on it.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative.

Mr. McFARLAND. Mr. President, I was trying to get recognition before the first name was called.

The PRESIDING OFFICER. The Chair did not observe the Senator from Arizona addressing the Chair. Under the circumstances, the Senator from Arizona is recognized.

Mr. McFARLAND. Mr. President, I should like to say that I will not oppose the amendment. It is somewhat similar to the bill which I introduced. However, as presented it would include officers and others who are well able to pay postage. My bill would include enlisted men, selectees who are receiving \$21 a month, and noncommissioned officers. I shall offer a substitute, after the pending amendment shall have been voted on, in language similar to the bill I have introduced.

SEVERAL SENATORS. Vote!

Mr. BANKHEAD. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BANKHEAD. May the Senator offer his amendment now as a substitute for the pending amendment?

The PRESIDING OFFICER. He may offer it as a substitute for the pending amendment.

Mr. BANKHEAD. As I understand, he may now offer his bill as a substitute for the pending amendment?

The PRESIDING OFFICER. That is correct, and the substitute for the pending amendment should be offered before the vote is taken on the amendment offered by the Senator from Michigan [Mr. VANDENBERG] on behalf of the Senator from Illinois [Mr. BROOKS].

Mr. BANKHEAD. Why does not the Senator offer his amendment now?

Mr. McFARLAND. Very well.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. McFARLAND. I shall offer the amendment after the Senator from Colorado has spoken. I yield.

Mr. JOHNSON of Colorado. Mr. President, I merely rose to call attention to the fact that on December 30 last I offered a proposal on this very subject, and had it very carefully worked out with the legal staff, and it was submitted to the Committee on Post Offices and Post Roads. I should like to read my proposal. Of course, the Senator from Arizona has yielded to me, and I do not

wish to take advantage of him by offering my proposal as a substitute. I do not think that would be quite fair, but I should like to read my proposal.

Mr. BANKHEAD. The Senator from Arizona yielded the floor.

Mr. JOHNSON of Colorado. I know that, but I do not wish to take advantage of him. I wish to read my amendment.

That any first-class letter mail matter admissible to the mails as ordinary mail matter—

Mr. McNARY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. What becomes of the rule which has been adhered to in the Senate without exception for a hundred years, that when a roll call has been started it is too late to recognize a Senator for the purpose of open and free debate?

The PRESIDING OFFICER. The present occupant of the Chair has not been here for a hundred years—

Mr. McNARY. That is very apparent.

The PRESIDING OFFICER. The ruling of the Chair was that, while the Chair had ordered the roll call, the calling of the roll had not yet begun.

Mr. McNARY. I am willing to forgive the Chair—

The PRESIDING OFFICER. The Chair is not asking for forgiveness.

Mr. McNARY. For the first transgression, but the second one is unforgivable. The clerk started the second roll call; the Senator from Vermont [Mr. AIKEN] voted when his name was called, and then the Chair deliberately recognized the Senator from Arizona.

The PRESIDING OFFICER. That is not the understanding of the Chair. The Chair did order the roll call, but the roll call had not begun.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. It is a question of fact.

Mr. BARKLEY. Mr. President, will the Senator from Colorado permit me to inject a word?

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. BARKLEY. May I ask the Senator to yield to me?

Mr. LEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Colorado yield for a parliamentary inquiry?

Mr. JOHNSON of Colorado. I yield to the Senator from Kentucky.

Mr. LEE. Who has the floor?

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. AIKEN. Mr. President, I desire to correct the RECORD.

Mr. BARKLEY. The Senator from Colorado has yielded to me to clear up a matter in regard to the roll call. It has been the universal rule in the Senate that although a roll call is ordered and the names of Senators are called, unless someone answers to the roll call, any Senator may be recognized. That is the



universal rule. When I was recognized no Senator had answered to his name. At the same time two or three other Senators were seeking recognition, including the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Arizona [Mr. McFARLAND]. The Chair was within his rights in what he did. He could recognize but one Senator at the time. The Chair recognized me because no one had answered to his name on the roll call, and that was entirely proper. The Chair was within his rights in recognizing the fact that when Senators were on their feet seeking recognition, he would recognize them, despite the fact that on the beginning of the second roll call some Senator answered to his name. There ought not to be any difficulty about that.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Whether the Chair recognized the Senator from Colorado or the Senator from Wyoming, the fact is that the Chair made the recognition before the Senator from Vermont had answered.

Mr. AIKEN. I beg the Chair's pardon. I ask an opportunity to correct the RECORD.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. JOHNSON of Colorado. The Senator from Colorado desires the floor. I shall be glad to yield to the Senator from Vermont.

Mr. AIKEN. I wish to say that I responded to the roll call not once, not twice, but three times. What I desire to know now is whether I have time to make a 'phone call before I vote the fourth time?

The PRESIDING OFFICER. The Chair rules that is not a parliamentary inquiry. The Senator from Colorado will proceed.

Mr. JOHNSON of Colorado. As I said a moment ago, on December 30 I introduced proposed legislation on this subject, and I desire at this time to read the language which I offered:

That any letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the military or naval forces of the United States (including the United States Coast Guard) while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

I desire to call the attention of the Senate to some of the technical matters which my amendment covers. The language of the bill, as Senators will find it before them, makes no reference to who is to receive the mail. According to the language of the bill one might mail ordinary letters to Spain, or to Turkey, or to some other foreign country. Of course, that is something over which the Congress has no control. Congress does not control the postage laws and regulations and postage rates of foreign countries. Yet the language upon which we are about to vote pays no attention to letters which are mailed to persons in foreign countries.

I merely wanted to call the Senate's attention to my bill, which I think is a very properly written and thoughtfully prepared bill, worked out by persons who are experts in that sort of thing.

I now am glad to yield to the Senator from Arizona [Mr. McFARLAND], who, as I understand, is going to offer a substitute for the pending amendment.

Mr. McFARLAND. Mr. President—  
Mr. McNARY. Mr. President, will the Senator yield?

Mr. McFARLAND. I should like to offer my substitute first. I have the floor, and I should like to offer my substitute now.

Mr. McNARY. A parliamentary inquiry.

Mr. McFARLAND. Mr. President, I wish to offer my substitute first, and then I shall be glad to yield to the Senator from Oregon.

Mr. McNARY. A point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. McNARY. The point of order is that the able Senator from Colorado cannot farm out time and still hold the floor. One or the other Senator is entitled to possession of the floor. I make that point of order.

The PRESIDING OFFICER. The Chair recognizes that fact. The Senator from Colorado was not successful in farming out time. The Senator from Arizona [Mr. McFARLAND] next addressed the Chair, and the Chair recognized the Senator from Arizona.

Mr. McFARLAND. Mr. President, as a substitute for the Brooks amendment, I move, after the words "United States", in line 15, page 11, to insert the words "and by noncommissioned soldiers, sailors, and marines assigned to duty in continental United States of America."

The PRESIDING OFFICER. The Chair will state to the Senator from Arizona that that is not a substitute for the pending amendment, and is out of order.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER. The Senator from Arizona has the floor. Does the Senator yield to the Senator from Colorado?

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Would it be in order and would it be a substitute for the pending amendment to offer an amendment to section 1001 providing as follows:

Ordinary letters written and mailed by noncommissioned soldiers, sailors, and marines, and other military and naval personnel, assigned to duty outside or within continental United States may be mailed free of postage.

The PRESIDING OFFICER. That would be a substitute for the entire title.

Mr. BARKLEY. Would it be in order to offer such an amendment as a substitute?

The PRESIDING OFFICER. Not while an amendment is pending.

Mr. REYNOLDS. Mr. President, I desire to report favorably certain nominations from the Committee on Military Affairs.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Colorado. I desire to offer a substitute for the whole section.

Mr. LA FOLLETTE. I make the point of order that a substitute for the section is not in order.

The PRESIDING OFFICER. It is in order, but the perfecting amendment proposed by the Senator from Michigan [Mr. VANDENBERG] for the Senator from Illinois [Mr. Brooks] would take precedence over the substitute.

Mr. LA FOLLETTE. And it must be disposed of first.

The PRESIDING OFFICER. Yes; that is correct.

Mr. LA FOLLETTE. Regular order!

Mr. O'MAHONEY. Mr. President, I submit that the spectacle to which we have been treated in the last half hour is a demonstration of the correctness of the position that was taken by the Senator in charge of the bill that this is a matter which should be handled before a committee of the Senate. The matter is before the Committee on Post Offices and Post Roads. The Senator from Colorado [Mr. JOHNSON] has made a proposal. The Senator from Arizona [Mr. McFARLAND] has made a proposal. The Senator from Illinois [Mr. Brooks] has made a proposal. They are all different. Each one deals with a different phase of the question. The Judiciary Committee did not desire to provide a new method of dealing with mail in continental United States, but to extend a privilege—indeed one might almost say a necessity—to officers and men, to nurses, and to all personnel when serving outside continental United States where they could not resort to the postal facilities.

Mr. McKELLAR. Mr. President, I agree entirely with the Senator from Wyoming that a provision of this kind ought to have been sent to the Committee on Post Offices and Post Roads, and I think I can assure the Senator and the Senate that if the proposal had been sent to that committee, a bill would have been drafted, or if it shall be sent there, a bill will be drafted and reported by the committee which will be entirely satisfactory, and which will be passed by the Senate.

Mr. VANDENBERG. Mr. President, why should not the whole title go to the committee? Why is there any greater virtue in a half-answer, such as the Senator reports, than in a full answer, such as I have suggested on behalf of the Senator from Illinois?

Mr. O'MAHONEY. Mr. President, I am perfectly willing to agree to the course suggested if it will permit the Senate to return to some semblance of dignified procedure with respect to legislation.

Mr. VANDENBERG. Now that the issue is raised, so far as I am con-



cerned I should like to hear the roll call.

Mr. LA FOLLETTE, Mr. CHAVEZ, and Mr. HILL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, the Senator from Wyoming has taken it on himself to refer to the fact that the Senate has been creating a spectacle of itself. Since it is not always obvious from reading the cold printed type exactly what the parliamentary maneuvering is all about, and since we have in the past few minutes been holding a sort of testimonial and experience meeting, I should like to put in the RECORD my own observations as to what I think all the parliamentary maneuvering is about.

It is perfectly obvious, Mr. President, that this parliamentary maneuvering is a jockeying for position, to see who shall get the credit for extending free postal service to those in the armed forces of the United States. Apparently it has been a sort of "photo finish" between the Senator from Wyoming, in charge of the bill, the Senator from Michigan, acting as a substitute for the junior Senator from Illinois, and the Senator from Colorado.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. Not at the moment.

So far as I am personally concerned I do not give three whoops who gets the credit for it; but I do want to see this privilege extended to those in the armed forces.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I shall be glad to yield in a moment. It is very difficult to obtain the floor, and I do not take it very often in my own right.

Mr. President, as I see it, no great complicated question is involved. Over and over again, when any Senator has said that certain titles of the bill ought to have gone to the committee which traditionally and historically has had jurisdiction of the subject matter, we have been admonished by the Senator from Wyoming to let it go through as it is, because the House is going to take it up and consider it. I think he practically invited the Senator from Ohio [Mr. TART] to introduce an amendment in the House, although, of course, he would not have the right to do so.

The Senate Committee on the Judiciary has opened the door far enough to enable all those in the armed services of the United States outside the continental boundaries of the United States to enjoy the privilege of free postal service for their first-class mail. Senators who think that those in the armed forces within continental United States should have the same privilege may register themselves on this roll call by voting in favor of the pending amendment. Those who do not think that persons in the armed forces within continental United States should have the same privilege of free postal service for first-class mail as those outside continental United States may register their opinion by voting against the pending amendment. Those who desire to see the Senator from Ari-

zona rather than the Senator from Michigan or the Senator from Illinois obtain credit for this measure may vote against the pending amendment, and then the Senator from Arizona will have an opportunity to offer his amendment. If the Senator from Colorado wishes "to get in on it," he may offer his amendment as a substitute for the amendment offered by the Senator from Arizona.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. LA FOLLETTE. I yield first to the Senator from New Mexico [Mr. CHAVEZ], who first rose.

Mr. CHAVEZ. Mr. President, the only observation I wish to make is that if we really want to get back the dignity about which the Senator from Wyoming talks we ought to vote on the pending question, which is on agreeing to the amendment offered by the Senator from Michigan on behalf of the Senator from Illinois. It does not make any difference to me whether the Senator from Illinois, the Senator from Arizona, the Senator from Colorado, or any other Senator gets the credit. There is plenty of credit for all of them. Irrespective of that, the only thing that should be considered is, Is the amendment good enough? I think we can get back to a dignified procedure by voting either for or against the pending amendment.

Mr. LA FOLLETTE. I thank the Senator from New Mexico. I hasten to add at this point that I hope that I am a good friend of all the Senators who are jockeying for position in this matter.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, the Senator was kind enough to say in his opening remarks that he thought that the present procedure was a jockeying for position among various Senators to obtain credit, and that apparently it was a photo finish between the Senator from Illinois and the Senator from Wyoming.

Mr. LA FOLLETTE. I also included the Senator from Colorado.

Mr. O'MAHONEY. I am sure the Senator did not intend to include the Senator from Wyoming.

Mr. LA FOLLETTE. If the Senator wishes to "scratch" himself in this race, he is at liberty to do so. [Laughter.]

Mr. O'MAHONEY. Mr. President, will the Senator be good enough to yield further to me?

Mr. LA FOLLETTE. I am glad to yield.

Mr. O'MAHONEY. I wish to make the record perfectly clear that I did not introduce this amendment. I have no pending amendment. I have not asked for any credit. My contention all the time was that the problem of dealing with this postal matter in continental United States, which is here for the first time, suggested upon the floor in connection with the bill, and which is already pending before the Committee on Post Offices and Post Roads, could be dealt with most effectively by that committee.

Speaking for myself, I wish to make it clear that, despite all the facetious remarks which the Senator from Wisconsin can so eloquently make, the Senator in charge of the bill is not a competitor

for credit in this race or in any other such matter.

Mr. LA FOLLETTE. Mr. President, I am very sorry if I have offended the dignity and pride of the Senator from Wyoming by including him in this company. The group in which I included him seems to be a group of very reputable Senators. I am sure that their objectives are creditable. We are all in cooperation, so far as this matter is concerned.

I do not wish to detain the Senate further. However, all my remarks have not been facetious. Seriously, I wished to place in the RECORD what I thought was really going on, in order that those who read the RECORD may understand that every Senator who makes an effort in behalf of the free-mail privilege for soldiers should get an equal amount of credit.

I now yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, I wish to say to the Senator from Wisconsin that I have no pride of authorship in the amendment I am offering. As a matter of fact, I did not write it. I referred the matter to the legislative counsel, and they wrote the amendment. They said that it was a very difficult problem and presented some technical difficulties which had to be very carefully overcome. They took quite a little time to draft it. My only object in offering my amendment was to make sure that when we adopt legislation on this subject we adopt sensible, workable legislation.

I have listened to all the substitutes which have been offered, and I have not heard any of them make any reference whatsoever to the persons receiving the mail. It was pointed out to me by the legal experts whom we hire that that is a very important consideration. So my amendment takes into consideration the receiver of the mail as well as the sender.

As I pointed out a moment ago, Congress has no authority to regulate mail which is to be received in some foreign country; we can regulate only the mail received in our own country. I wish to make it perfectly clear that I am willing to give my amendment to the Senator from Wisconsin or any other Senator and have him offer it. I am not looking for any credit whatsoever.

Mr. LA FOLLETTE. Mr. President, I am not a candidate for the Senator's amendment. I am not seeking it. I am not seeking anyone's amendment, and I do not wish to detract from the efforts which the Senator from Colorado has put forth in this matter. As a matter of fact, I should be very happy if all bills which have come before the Senate had gone through the legislative counsel's drafting service. I think it would be beneficial to the legislation enacted if that were done. Unfortunately, however, this bill has not taken that course; and whatever objections lie against the language of the bill so far as concerns mail coming from outside continental United States, it seems to me, would also lie against extending the same privilege to members of the armed forces who are serving within continental United States.



In any case, it seems to me we can get a vote on this question, we can dispose of it, and Senators can accomplish their purposes in any one of the several parliamentary alternatives which no doubt will be presented.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I most heartily agree with what the Senator from Wisconsin has said. I should like merely to suggest, in addition to what he has said, that if we could simply proceed with the regular order we could have an opportunity to vote for all these propositions, if we desired to do so. We could first adopt the amendment of the Senator from Illinois [Mr. Brooks], offered by the Senator from Michigan [Mr. Vandenberg]. Then, if we desired to do so, we could adopt the substitute for the whole section offered by the Senator from Colorado [Mr. Johnson]; or, if necessary, we could amend the substitute by adopting the proposal of the Senator from Arizona [Mr. McFarland].

The roll call has started three times in pursuance of the regular order. My experience in the Senate has been that when a Member has answered three times to a roll call in pursuance of the regular order it is too late to reconsider the matter. It seems to me that there is so little essential difference between the three different propositions, and possibly four, the principle of which undoubtedly is supported by the great majority of the Senate, that the sooner we proceed according to the regular order by starting to vote on any one of the propositions the sooner we shall conclude the matter.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. BARKLEY. I asked the Senator to yield to me in order that I may propound a parliamentary inquiry.

Mr. LA FOLLETTE. Certainly.

Mr. BARKLEY. I should like to ask the Chair, regardless of the action taken on the pending amendment—which is an amendment to the section—regardless of whether it is defeated or adopted, if it will then be in order to offer a substitute for the entire section.

The PRESIDING OFFICER. It will be.

Mr. BARKLEY. If the Senator from Wisconsin will yield to me further—

Mr. LA FOLLETTE. Certainly; I yield.

Mr. BARKLEY. I should like to state that, without regard to action of the Senate on the pending amendment, I understand that a substitute will be offered either by the Senator from Arizona [Mr. McFarland] or by the Senator from Colorado [Mr. Johnson]; but if neither one of them offers a substitute, I myself shall assume the privilege of offering one for the whole section. So I want it made clear that, regardless of how any Senator may vote on this particular amendment, he will be able to vote for a substitute for the entire section.

SEVERAL SENATORS. Vote!

Mr. LA FOLLETTE. Mr. President, I shall take the admonition of the able Senator from Missouri and shall get out

of the way, so that we can proceed with the matter.

SEVERAL SENATORS. Vote!

Mr. CHANDLER. Mr. President, since I have been here, the Senate most of the time has chosen to proceed deliberately. My observation is that when a man is in a hurry, he is in a hurry for his side, because he thinks perhaps he has the advantage.

I think the RECORD should show that it appears to me that the Senator from Michigan [Mr. Vandenberg], who is running, as we say, for the junior Senator from Illinois [Mr. Brooks], the Senator from Wisconsin [Mr. La Follette], and other Senators who are in such a hurry to have the amendment adopted, are not the only Senators who favor its adoption. I think it is a good amendment. I think perhaps it should be adopted. But some Senators on the other side, Senators who are not in quite such a hurry, want to talk about it, and perhaps they want to have a chance to offer amendments of their own. I think the RECORD should show clearly that one side wanted to hurry, and the other side did not want to proceed in such a hurry. I think the RECORD shows that in the past, when something was started, if some Senator objected, or even after it was finished, if some Senator wanted to have it undone so that he could talk some more about it, we have always been willing to do it. I do not like to see one side appearing to be in too much of a hurry when the other side wants to talk, because at some future time some Senators will want to talk and others will want to hurry, and the situation will be reversed.

Mr. President, I suggest that we should not be in such a hurry.

SEVERAL SENATORS. Vote!

Mr. BONE. Mr. President—

Mr. CHANDLER. I have the floor, Mr. President, and I am not going to yield all the time.

The PRESIDING OFFICER. The Senator from Kentucky has the floor, and he may proceed.

Mr. CHANDLER. Sometimes, when I am not ready to vote and desire to talk, or want to offer an amendment to an amendment, or want to offer a substitute, I desire to have an opportunity to do so. I do not like the RECORD to show that because some Senator had the distinct advantage he wanted to hurry a matter through because he thought some other Senator would not have the courage to vote against his proposal because the Senator offering it thought it was a good proposition. Ordinarily, if it is a good proposal, it should be acted upon quickly; but if Senators do not want some other Senator to operate on them too quickly, they should not vote to operate on some other matter too quickly, because the situation may rebound on them some time.

I want the RECORD to show, Mr. President, that some Senators wanted the Senator from Illinois [Mr. Brooks] to get credit for giving the soldiers and other members of the armed forces free postage. I have no objection to having the Senator from Illinois get some of the credit, but he is not going to get all the credit, because I am going to get some

of it myself. [Laughter.] I am not going to say that I do not want to get my part of the credit for giving the soldiers, sailors, and marines of the United States free postage, because I am not going to be so modest. If we are going to vote it, I am anxious to contribute my part to it. I think it is a good thing, and I think it should be done.

Mr. McKellar rose.

Mr. CHANDLER. Does the Senator from Tennessee desire that I yield to him?

Mr. McKellar. Yes.

Mr. CHANDLER. I yield.

Mr. McKellar. Will the Senator yield to me so that I may ask a question of the chairman of the committee?

Mr. CHANDLER. Yes; if I am permitted to yield for that purpose. If I shall lose the floor by doing so, I cannot yield.

Mr. McKellar. The Senator certainly will not lose the floor.

Mr. CHANDLER. Very well; I yield.

Mr. McKellar. Mr. President, I should like to say to the Senator from Wyoming that there seems to be a great deal of debate still in store for us on this bill. As the Senator knows, and as the Senate knows, there is on the calendar a bill to appropriate \$12,525,000,000 for more airplanes which, the Army tells us, are absolutely necessary. I suppose there will not be a vote against the measure providing for building the additional airplanes. I doubt if there will be such a vote. I doubt if the consideration of the measure will require a long time. I wonder if the Senator would object to laying aside temporarily the present very controversial matter, so as to enable the Senate to take up the appropriation bill providing additional airplanes for the Army.

Mr. O'Mahoney. Mr. President, I think the request, perhaps, is a little out of order at the present time, when the Senator from Kentucky [Mr. Chandler] has the floor. I am sure that as soon as we have a roll call on this matter, the bill will then be disposed of in 10 or 15 minutes.

Mr. McKellar. I thank the Senator.

Mr. CHANDLER. Mr. President, I think the RECORD should show that Senators were so anxious to have the amendment adopted by yea-and-nay vote that they would not even let the Senator from Wyoming accept it and thus avoid a yea-and-nay vote. I am anxious to have the RECORD show, as nearly as it should show, what the facts are. Then, if we decide to vote to give the soldiers in the overseas service free postage and to give the soldiers in the United States free postage, we certainly have enough sense to know how to accomplish the purpose; and, personally, I favor giving that privilege to them.

Mr. BONE. Mr. President, I have a great curiosity about one aspect of this problem. I have a vague recollection that the soldiers in the service during the Civil War were accorded the privilege of free postage. I have asked a number of Senators who might have some recollection of that particular time if they could inform me whether my memory is accurate. The Senator from Michigan [Mr.



VANDENBERG] is a historian of note; and I ask him if he can recall whether the soldiers who served in the Civil War were given free postage. Some Senator may know. It is my recollection that they were given the privilege of sending letters through the mails free of charge during the Civil War.

Mr. VANDENBERG. I am sorry, but I have no information on the subject.

Mr. BONE. Can any Senator advise us if that is true? [A pause.] It seems that no Senator can do so.

Mr. McFARLAND. Mr. President, the Senator from Wisconsin stated I was "jockeying for position." It does not concern me what my colleague may think about my motives.

I took this matter up with the American Legion of the State of Arizona, got their opinion about it, and submitted my bill to them for their consideration when they assembled at Prescott, Ariz., last summer. My bill, in substance, provided for 12 free franked envelopes a month for each soldier and sailor. My bill included warrant officers and chief petty officers. Some did not want even to include them; they wanted to exclude them from free postage. They said that a bill that allows any officer, regardless of the amount of his pay, to have free postage is going too far, and I feel they are entitled to have their objections recorded, the objection of the able Senator from Wisconsin notwithstanding.

Mr. JOHNSON of Colorado. Mr. President, on behalf of the Senator from Arizona [Mr. McFARLAND] and myself, I desire to offer a substitute for title X, section 1001.

Mr. REED. Mr. President, I rise to a point of order. The roll call has been ordered and started.

The PRESIDING OFFICER. The Chair ruled that the roll call had not been started.

Mr. REED. I beg the Chair's pardon. The PRESIDING OFFICER. The Chair repeatedly ruled to that effect.

Mr. REED. I heard the Senator from Vermont [Mr. AIKEN] distinctly answer to the roll call.

The PRESIDING OFFICER. The Chair did not.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Vermont?

Mr. JOHNSON of Colorado. I do not yield at this time.

The PRESIDING OFFICER. The Senator from Colorado declines to yield?

Mr. JOHNSON of Colorado. I offer a substitute on behalf of the Senator from Arizona and myself for the whole title X, section 1001, and I desire to have it read and to have it pending.

The PRESIDING OFFICER. The clerk will read the amendment intended to be proposed by the Senator from Colorado for himself and the Senator from Arizona.

The CHIEF CLERK. In title X, page 11, after line 12, it is proposed to strike out all after "Section 1001," and in lieu thereof to insert the following:

That any first-class letter mail matter admissible to the mails as ordinary mail matter, which is sent by a noncommissioned

member of the military or naval forces of the United States (including the United States Coast Guard), while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. If the pending amendment to the section offered by the Senator from Michigan on behalf of the Senator from Illinois should be adopted, it would still be in order for the Senate to consider the substitute amendment offered by the Senator from Colorado.

The PRESIDING OFFICER. The Senator is correct.

Mr. CLARK of Missouri. So that, whether the amendment of the Senator from Illinois be adopted or not, there would still be a vote on the amendment of the Senator from Colorado, and the effect of the adoption of the amendment of the Senator from Illinois would then be to afford Senators the opportunity of choosing between the two proposals if they desire either one of them? Is that the parliamentary situation?

The PRESIDING OFFICER. The Senator's statement is correct.

Mr. TYDINGS. Mr. President, after listening to the Senator from Wisconsin [Mr. LA FOLLETTE], who, I think, diagnosed the case very properly—many Members of the Senate would like to be the author of this proposal—I think we ought, at least, to adopt the amendment offered by the Senator from Illinois through the medium of the Senator from Michigan. The reason for my statement is this: The Senator from Illinois has one of the best war records of any man in America. He holds the Medal of Honor, voted to him by Congress, and it seems to me to be rather poor sportsmanship to develop such a parliamentary situation that he would be denied the privilege of being the author of this amendment. It seems to me that politics ought to be adjourned during the war, and, certainly, in this very small instance, I believe the equities of the case are all on the side of the Senator from Illinois. So I shall vote for his amendment, at least to give him credit for it, and reserve the right to vote for a substitute amendment later on.

Mr. REED. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. REED. That is, the Senator will vote for it if he gets an opportunity, and the Chair hears the answers of Senators on the next roll call.

Mr. TYDINGS. Aside from that, I think we can all give the Senator from Illinois, who is necessarily absent, the right to be the author of this amendment. It is a small thing, but I think the fairness of the case dictates that he ought to have that chance, and not be jockeyed out of position.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG] on behalf of the Senator from Illinois [Mr. BROOKS].

Mr. GEORGE. Mr. President, may we have the amendment stated?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 11, line 14, after the word "personnel" and the comma, it is proposed to strike out the words "assigned to duty outside of the continental United States."

Mr. BARKLEY. Mr. President, let me make a brief statement. I intend to vote for the amendment as it is now offered, but I think it goes too far, because it includes commissioned officers, who I do not believe ought to be included. After having done that, if it is adopted, or whether it is or not, I shall vote for the substitute offered by the Senator from Colorado, because that is limited to non-commissioned men, which I believe ought to be the measure of our consideration at this time in regard to free postage.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Michigan [Mr. VANDENBERG] on behalf of the Senator from Illinois [Mr. BROOKS]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the junior Senator from Pennsylvania [Mr. GUFFEY] and will vote. I vote "yea."

The roll call was concluded.

Mr. CHANDLER (after having voted in the affirmative). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS], who is unavoidably absent from the Senate. I understand if he were present he would vote as I have voted, so I permit my vote to stand.

Mr. O'MAHONEY. I announce the necessary absence of my colleague [Mr. SCHWARTZ].

Mr. CHAVEZ. Mr. President, my colleague the senior Senator from Arizona [Mr. HATCH] is absent because of illness. If present, he would vote "yea."

Mr. HILL. I announce that the Senator from California [Mr. DOWNEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Delaware [Mr. HUGHES], the Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Arkansas [Mr. SPENCER] are necessarily absent. I am advised that, if present and voting, these Senators would vote "yea."

The Senator from Florida [Mr. PEPPER] is detained on important public business. I am advised that, if present and voting, he would vote "yea."

The Senator from Texas [Mr. CONNALLY], the Senator from Montana [Mr. MURRAY], and the Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS] are detained in committee meetings. I



am not advised how these Senators would vote if present.

Mr. AUSTIN. I am advised that the Senator from New Jersey [Mr. BARBOUR], the Senator from Massachusetts [Mr. LODGE], and the Senator from Wisconsin [Mr. WILEY] would vote "yea" if present.

The result was announced—yeas 74, nays 3, as follows:

## YEAS—74

|              |                 |               |
|--------------|-----------------|---------------|
| Aiken        | Glass           | Radcliffe     |
| Austin       | Green           | Reed          |
| Ball         | Gurney          | Rosier        |
| Bankhead     | Hayden          | Russell       |
| Barkley      | Herring         | Shipstead     |
| Bilbo        | Hill            | Smathers      |
| Bone         | Holman          | Smith         |
| Brewster     | Johnson, Calif. | Stewart       |
| Brown        | Johnson, Colo.  | Taft          |
| Eulow        | Kilgore         | Thomas, Idaho |
| Bunker       | La Follette     | Thomas, Okla. |
| Burton       | Lee             | Thomas, Utah  |
| Butler       | Lucas           | Tobey         |
| Byrd         | McFarland       | Truman        |
| Capper       | McKellar        | Tunnell       |
| Chandler     | McNary          | Tydings       |
| Chavez       | Maloney         | Vandenberg    |
| Clark, Idaho | Maybank         | Van Nuys      |
| Clark, Mo.   | Mead            | Wagner        |
| Danaher      | Millikin        | Wallgren      |
| Doxey        | Murdock         | Walsh         |
| Ellender     | Norris          | Wheeler       |
| George       | Nye             | White         |
| Gerry        | O'Daniel        | Willis        |
| Gillette     | Overtone        |               |

## NAYS—3

|         |         |           |
|---------|---------|-----------|
| Andrews | Caraway | O'Mahoney |
|---------|---------|-----------|

## NOT VOTING—19

|          |          |          |
|----------|----------|----------|
| Bailey   | Guffey   | Pepper   |
| Barbour  | Hatch    | Reynolds |
| Bridges  | Hughes   | Schwartz |
| Brooks   | Langer   | Spencer  |
| Connally | Lodge    | Wiley    |
| Davis    | McCarran |          |
| Downey   | Murray   |          |

So the amendment offered by Mr. VANDENBERG on behalf of Mr. BROOKS was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I now call up the substitute which I have offered on behalf of the Senator from Arizona [Mr. MCFARLAND] and myself.

Mr. BARKLEY. Mr. President, will the Senator from Colorado yield to me for a moment?

Mr. JOHNSON of Colorado. I yield to the Senator from Kentucky.

Mr. BARKLEY. There seems to be no difference of opinion here as to the objective we are seeking to accomplish. The substitute offered by the Senator, however, technically may not be in the proper language. It seems to me it ought to read "enlisted men and noncommissioned officers of the military or naval forces." The mere expression "noncommissioned personnel," it seems, from the military standpoint, is not quite the exact terminology. Would the Senator be willing to modify his amendment by having it read "enlisted men and noncommissioned officers"?

Mr. JOHNSON of Colorado. Yes.

Mr. NORRIS. Mr. President, I hope the Senator from Colorado will not accept the word "enlisted." I do not see why the amendment should not apply to the men who are selected under the draft law.

Mr. BARKLEY. Of course it does.

Mr. NORRIS. They are not enlisted men.

Mr. BARKLEY. They are enlisted.

Mr. NORRIS. No; they did not volunteer.

Mr. BARKLEY. If they are selected by the draft, they are enlisted men.

Mr. NORRIS. I do not understand that to be the case.

Mr. CLARK of Missouri. Mr. President, if the Senator will yield, technically, of course, noncommissioned officers are enlisted men. They are enlisted men before they get to be noncommissioned officers. It seems to me that if the distinction which the Senator from Kentucky evidently is trying to make is to be adopted, the language should be "personnel other than officer personnel," or some distinction of that sort, because noncommissioned officers are enlisted men.

Mr. BARKLEY. I thought the language of the Senator was correct, because it says "noncommissioned personnel" which, of course, would include noncommissioned officers; but some of the military experts here have suggested that in order to be entirely correct the language ought to be "enlisted men and noncommissioned officers."

Mr. CLARK of Missouri. Why should we not say "all enlisted and inducted personnel, including noncommissioned officers?"

Mr. BARKLEY. That would accomplish the purpose. The expression "enlisted men," however, includes both those who volunteered and those who were drafted.

Mr. JOHNSON of Colorado. Mr. President, so far as the Senator from Colorado is concerned—and I am sure I speak also for the Senator from Arizona—we have no objection to the perfecting amendment offered by the Senator from Kentucky.

Mr. BARKLEY. I was merely calling it to the attention of the Senator. I myself am not offering it.

Mr. JOHNSON of Colorado. I should prefer not to accept it.

Mr. BARKLEY. I am not insisting on it.

Mr. TYDINGS. Mr. President, this amendment is perfectly understandable, but I do not believe it accomplishes what its author has in mind.

The overwhelming majority of officers who are in the service in the lower ranks are men who come from civilian life—the second lieutenants, the first lieutenants, the captains, and even the majors. There are very few Regular Army men who have those lower ranks. They are promoted very rapidly. The number of officers in proportion to the number of noncoms and enlisted men is not large, anyway, and in the brackets in which there are a large number of officers they are men who quite often have given up more lucrative positions to serve in the Army.

I think it would be rather small to draw the line on these very few men, if we are to extend this privilege at all. I can see no reason why a second lieutenant or a first lieutenant or a captain, for that matter, in view of the few letters they will write, should not use the mails free, if all the noncoms and privates can use them free. The mail has to come, anyway. The amount of money involved will be infinitesimal. It seems to me that if we admire these fighting men at all, and if we are to extend this privilege,

we ought not to draw any hairbreadth line, but ought to be generous in extending it.

For that reason, I shall vote against the amendment.

Mr. BONE. Mr. President, if I may ask the Senator from Colorado a question, Has he made any change in the text of the amendment? I spoke to him a moment ago about the use of the term "first-class mail," which is a very sweeping term. As a boy I spent a number of years in the Mail Service, and it is a fact that one could ship a piano by first-class mail.

Mr. JOHNSON of Colorado. It reads "first-class letter mail."

Mr. BONE. Will not the Senator read the amendment as he now proposes it?

Mr. JOHNSON of Colorado. I ask that the amendment be stated at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to strike out section 1001, and in lieu thereof to insert:

That any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a noncommissioned member of the military or naval forces of the United States (including the United States Coast Guard), while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

Mr. TYDINGS and Mr. NORRIS rose.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. TYDINGS. Mr. President, there is another reason why I think this amendment would be unwise, as I think my colleagues will realize if they reflect a moment. The men who for the most part will take advantage of this privilege will at some time during this year or next be in the front lines, like the men in the Philippines, the men in Eritrea now building bases, and the men in Ireland, who will sooner or later be in the front line. They will want to write to their wives and mothers while they are in the front lines, perhaps on an old piece of paper, to reassure them, and we would put them to the trouble and expense of sending back to the division post office, which probably would be 15 miles behind the front, to get postage stamps. There are not many officers. While they are in the front lines is the very time when they will want to send some reassuring message home, and it is not feasible for them to buy postage stamps. They will therefore have to trust someone with their letters, to go back and get the stamps wherever they are obtainable, before the letters can be handled. That is another reason why, if we are to extend this privilege, we should be generous with it, and see that those men who are up at the front, whether they are second lieutenants or first lieutenants or captains, should have the right to have their mail sent home without having to buy postage stamps.

Mr. NORRIS. Mr. President, the Senator from Maryland has said what I had in mind to say. I cannot see any reason



why we should cut off any soldier, no matter what his official rank may be. I know it is said that officers in the Army draw larger salaries than the men under them, and that therefore they can afford to pay postage. When we give the franking privilege to Senators, we do not draw the line between those who are wealthy and those who are poor; we give the privilege to all. If a private is entitled to send a letter free of charge—and I think he should be given that privilege—his captain should be given the same privilege and the general should have the same privilege. I do not see why we should draw a line. If we are to grant free mailing privilege, we should grant it to all soldiers, sailors, and marines who are in the service.

I ask the Senator from Colorado, the author of the amendment, if he would not be willing to strike out the word "noncommissioned", so that the amendment would apply to all those in the armed forces.

Mr. JOHNSON of Colorado. This is a dual proposal, as the Senator will recognize. The Senator from Arizona [Mr. McFARLAND] and I combined our forces, and this is one of the provisions suggested by the Senator from Arizona. Now he is willing to drop the term, to eliminate it, and I ask unanimous consent that that be done.

Mr. NORRIS. The Senator does not need unanimous consent.

Mr. CLARK of Missouri. The Senator may modify the amendment.

Mr. McFARLAND. I am willing to withdraw the provision. I was not particular about that portion of the amendment.

The PRESIDING OFFICER. Is there objection to the Senator modifying his amendment? The Chair hears none, and it is so ordered.

Mr. LA FOLLETTE. Mr. President, may we have the amendment stated as it has now been perfected?

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The CHIEF CLERK. It is proposed to strike out section 1001 and in lieu thereof to insert:

That any first-class-letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the military or naval forces of the United States (including the United States Coast Guard) while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

Mr. McFARLAND. Mr. President, I am willing to consent to the amendment, because my original reason for placing the language in the proposal was that the American Legion of my State wanted to exclude all above noncommissioned rank.

Mr. TYDINGS. What is the difference between the original amendment and the proposed substitute? I am at a loss to know what we are about to vote on.

The PRESIDING OFFICER. In the amendment as it now reads, the word "noncommissioned" is stricken out.

Mr. TYDINGS. Was the original amendment confined to noncommissioned personnel?

Mr. VANDENBERG. The original amendment was universal, applying to every member of the military forces.

Mr. TYDINGS. What is the difference?

Mr. VANDENBERG. I cannot see the slightest difference.

Mr. TYDINGS.—It is merely a change of wording, as I understand, without changing the intent or the rights under the amendment. Am I correct in that?

Mr. JOHNSON of Colorado. If I may answer the Senator, there are some very distinct differences, which were pointed out to me by the legislative counsel as being important. I do not know whether they are important, but they were said to me to be important. They will be found in line 7, where it is provided where the mail is to go, where it is to be received. The legislative counsel point out to me that it is quite as important to have a provision for the receipt of the mail as for its being sent. They point out to me that Congress has no authority to send mail to a foreign country, and therefore they inserted this language, that mail "to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe." They said those last two lines were very important.

Mr. TYDINGS obtained the floor.

Mr. NORRIS. That makes a difference.

Mr. TYDINGS. I yield to the Senator from Nebraska.

Mr. NORRIS. I was about to remark that the Senator from Colorado has pointed out a very material difference, as I see the matter, between his language and the language for which he desires to make this substitution. It limits the destination of the mail. I think it is a very important matter. In the first place, we do not have any jurisdiction over foreign countries. In the next place, the real object is to enable men in the Army to communicate with their homefolks. That is what we desire to accomplish. A member of the military forces could send mail anywhere in the United States or in any of the possessions, but he could not send it to a foreign country.

Mr. TYDINGS. As I understand, with every armed force, whether it be a battleship or a division of the Army, or a brigade, or whatever it may be, there is a United States post office—that is, there are certain enlisted men assigned to the postal duty of receiving and distributing mail which comes in, so that in foreign countries there will be United States Army post offices. It may be necessary, however, to add the words "under regulations prescribed by the Postmaster General," in order that the mail may be transmitted over foreign territory to a United States Army and the Navy post office.

Mr. VANDENBERG. That language is already in the original provision.

Mr. TYDINGS. Will the Senator read the original proposal, so that we can see whether it is comprehensive?

Mr. VANDENBERG. The original proposal as amended by the Senate reads as follows:

Ordinary letters written and mailed by soldiers, sailors, marines, and other military and naval personnel, \* \* \* may be mailed free of postage, subject to such rules and regulations as may be prescribed by the Postmaster General.

Mr. TYDINGS. I know that military post offices are carried with each detached unit, and that no foreigners touch the mail bags except to deliver them on foreign railroads or steamship lines, and if the language just read is already in the bill, it seems to me we would be merely writing the same provision twice.

It seems to me, if the Senator will permit me, that a roll call might be saved and a good deal of time saved, since these proposals are approximately identical, if we could simply enter into a unanimous-consent agreement in the Senate, that the amendment be designated as the Brooks-Vandenberg-Johnson of Colorado-LaFollette amendment. [Laughter.] It seems to me that would save a great deal of trouble and save a roll call.

Mr. THOMAS of Oklahoma. Mr. President, this entire matter must go to, and be adjusted in, conference. I favor granting the franking privilege to our armed forces, and had the drafting service prepare a bill for me, and the bill was introduced. My idea was to let the Postmaster General, after consultation with the Secretary of War and the Secretary of the Navy, work out and prescribe the rules and regulations. It is my idea that this privilege should be extended to every person in the land forces and naval forces of our Government.

Mr. President, I ask that the bill, which is very short, be read so that the text may be in the RECORD. Inasmuch as the entire matter shall go to conference my suggestions will be before the conference committee.

The PRESIDING OFFICER. The clerk will read the bill for the information of the Senate.

Mr. CLARK of Missouri. Mr. President, before the bill is read, I ask unanimous consent to amend my unanimous-consent request by including the Senator from Oklahoma [Mr. THOMAS].

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk read the bill (S. 2205), as follows:

*Be it enacted, etc.,* That the Postmaster General is authorized to provide to the extent he may deem appropriate after consultation with the Secretary of War and the Secretary of the Navy for the transmission in the mails free of postage, under such regulations as he may prescribe, of personal correspondence of members of the land and naval forces of the United States who are on active duty.

SEC. 2. This act shall become inoperative upon the expiration of 6 months after the termination of the wars in which the United States is now engaged.

Mr. JOHNSON of Colorado. Mr. President, I call up the pending substitute, as modified, for the language of title X, and ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.



Mr. CHANDLER (after having voted in the affirmative). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I am not advised how he would vote if present and voting. I transfer that pair to the Senator from Florida [Mr. PEPPER] and let my vote stand.

Mr. HILL. The Senator from New Mexico [Mr. HATCH] is absent because of illness.

The Senator from Alabama [Mr. BANKHEAD] and the Senator from Idaho [Mr. CLARK] are detained in committee meeting.

The Senator from California [Mr. DOWNEY], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Nevada [Mr. MCCARRAN], the Senator from Wyoming [Mr. SCHWARTZ], and the Senator from Arkansas [Mr. SPENCER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] is detained on important public business.

The Senator from Utah [Mr. THOMAS] is detained in one of the Government departments. He has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

Mr. AUSTIN. I am advised that the Senator from New Jersey [Mr. BARBOUR], and the Senator from Wisconsin [Mr. WILEY] would vote "nay" if present.

The result was announced—yeas 53, nays 26, as follows:

## YEAS—53

|            |                |               |
|------------|----------------|---------------|
| Andrews    | Gillette       | Murray        |
| Bailey     | Glass          | Norris        |
| Barkley    | Green          | O'Daniel      |
| Bilbo      | Gurney         | Overton       |
| Bone       | Hayden         | Radcliffe     |
| Brown      | Herring        | Reynolds      |
| Bulow      | Hill           | Rosier        |
| Bunker     | Hughes         | Russell       |
| Byrd       | Johnson, Colo. | Smathers      |
| Caraway    | Kilgore        | Smith         |
| Chandler   | Lee            | Stewart       |
| Chavez     | McFarland      | Thomas, Okla. |
| Clark, Mo. | McKellar       | Truman        |
| Connally   | Maloney        | Tunnell       |
| Danaher    | Maybank        | Van Nuys      |
| Doxey      | Mead           | Wagner        |
| Eliender   | Millikin       | Wallgren      |
| George     | Murdock        |               |

## NAYS—26

|          |                 |               |
|----------|-----------------|---------------|
| Alken    | Johnson, Calif. | Thomas, Idaho |
| Austin   | La Follette     | Tobey         |
| Ball     | Lucas           | Tydings       |
| Brewster | McNary          | Vandenberg    |
| Burton   | Nye             | Walsh         |
| Butler   | O'Mahoney       | Wheeler       |
| Capper   | Reed            | White         |
| Gerry    | Shipstead       | Willis        |
| Holman   | Taft            |               |

## NOT VOTING—17

|              |          |              |
|--------------|----------|--------------|
| Bankhead     | Downey   | Pepper       |
| Barbour      | Guffey   | Schwartz     |
| Bridges      | Hatch    | Spencer      |
| Brooks       | Langer   | Thomas, Utah |
| Clark, Idaho | Lodge    | Wiley        |
| Davis        | McCarran |              |

So the amendment, as modified, in the nature of a substitute for the language of title X, was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to further amendment.

Mr. WHEELER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Montana will be stated.

The CHIEF CLERK. It is proposed to add to title I of the bill a new section,

between lines 19 and 20 on page 2, to read as follows:

SEC. 103. Subsection (a) of section 311 of said act is hereby amended by striking out the words "but not for more than an aggregate of 180 days."

Mr. WHEELER. Mr. President, this amendment, which was sent to us by the Interstate Commerce Commission, grants the same powers with reference to water carriers that it now has with reference to motor carriers and railroads. The letter from the chairman of the Legislative Committee of the Interstate Commerce Commission reads as follows:

Hon. BURTON K. WHEELER,  
Chairman, Committee on Interstate  
Commerce, United States Senate,  
Washington, D. C.

MY DEAR CHAIRMAN WHEELER: Because of the exigencies of the present war the Interstate Commerce Commission is being called upon to make increasing use of its power to grant temporary authority for service by common and contract carriers by motor vehicle as well as by water "for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need." In its discretion the Commission may grant temporary authority in such cases without hearings or other proceedings.

In respect of both motor and water carriers at present such temporary authority is valid for not more than 180 days. From our experience with this subject we have found that the 180-day limitation is a distinct disadvantage. In S. 2208 it is proposed to remove the limitation from subsection (a) of section 210a, which relates to motor carriers, but the limitation would be retained as to water carriers. There is no reason for such a distinction. We, therefore, believe that the limitation should be removed from subsection (a) of section 311 and are enclosing a draft of an amendment which would accomplish this result.

Respectfully,

WALTER M. W. SPLAWN,  
Chairman, Legislative Committee.

This amendment was offered on my behalf the other day by the Senator from Wyoming [Mr. O'MAHONEY], and there was objection to it on the part of the senior Senator from Maine [Mr. WHITE]. At that time the Senator from Maine did not understand that it was a temporary measure. He now tells me that he has no objection to the amendment. I know of no objection from anyone, because it would grant to the Commission the same power with respect to water carriers that it now has with reference to railroads, busses, and trucks.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER].

The amendment was agreed to.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1589. An act to prohibit payment of money allowances for subsistence and rental to retired officers of the Navy or Marine Corps for any period when not employed on active duty;

S. 2028. An act to amend section 3 (a) of the act entitled "An act to authorize the Secretary of the Navy to proceed with the

construction of certain public works, and for other purposes," approved June 2, 1939 (53 Stat. 800), so as to transfer the administration of the Naval Supply Depot, Oakland, to the Commandant, Twelfth Naval District; and

S. 2139. An act to provide for performance of the duties of chiefs of bureau and the Judge Advocate General in the Navy Department, and the Major General Commandant of the Marine Corps, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6269) to amend the act entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," approved June 8, 1938, as amended.

## THE WAR SITUATION IN THE FAR EAST

Mr. DANAHY. Mr. President, I shall take only a moment.

In the Sunday Star of January 25 there was an excellent article entitled, "Why Tokyo Is Not in Ruins in Retaliation for Pearl Harbor." The article was written by Clare Boothe and Brig. Gen. Henry J. Reilly. I ask unanimous consent to have it printed in the body of the RECORD at this point, for I wish to comment upon it very briefly.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Sunday Star of  
January 25, 1942]

## WHY TOKYO IS NOT IN RUINS IN RETALIATION FOR PEARL HARBOR

(Clare Boothe, well-known author and playwright, recently interviewed Gen. Douglas MacArthur in Manila. She was in Belgium when the Germans invaded that country in May 1940.)

(Henry J. Reilly, brigadier general in the Officers' Reserve Corps, served in the Philippines several years and later in the World War, when he received the Distinguished Service Medal. He is a former editor of the Army and Navy Journal.)

(By Clare Boothe and Brig. Gen. Henry J. Reilly)

Last May 6 Senator CLAUDE PEPPER, of Florida, made on the floor of Congress a fierce and fiery speech against the Japanese. Demanding that "we turn a searching inquiry to this bandit of the east \* \* \* lurking behind the door to stick a stiletto in our backs," he suggested as one easy solution of the problem sending Chiang Kai-shek "some gallant American boys at the controls of some first-class bombing planes. \* \* \* In my opinion," he said, "50 of them can make a shambles of Tokyo."

And 130,000,000 Americans not only applauded the incendiary Floridian's personal opinion in their hearts, but also believed it was a fine picture of the just fate that awaited "the bandits of the east" if they should choose—as the popular phrase was—to commit "national hara-kiri" by warring on the United States of America.

Today 130,000,000 Americans are asking in bewilderment and rage, Where are the avenging flames from the funeral pyre of Tokyo? Why hasn't the Japanese Fleet been sunk "within a couple of weeks," as many a tablecloth admiral—and a couple of bona fide ones, too—so often predicted it would be? Why is it, on the contrary, roaming at will in the Japanese and China Seas? Where is the "distant blockade" based in Hawaii and Singapore which was so soon to bring Japan



to her economic knees? Where are "Japan's feet of clay," about which a whole book was written? (Can it be that our heads, not her feet, were made of clay?)

Why has the Japanese Army, which "everybody" knew was bled white and thin by 4 years of the "China incident," still got enough military "oomph" to attack not only United States possessions in the Far East but also the colonial jewels of the Dutch and British Empires? Why did "impregnable" Hong Kong fall in 2 weeks? And why, oh why, if it is still true that Japan is committing harakiri, is she doing so in such a messy fashion on soil under our flag, instead of being forced to expire on her own doorstep, or before the bloodstained altars of her own pagan gods?

The bitter answers to these bitter questions lie largely in an understanding of the military situation implicit in the disaster which has overtaken American arms in the Philippines. Had sufficient planes, troops, warships been available to General MacArthur in the early weeks of December, we could have stopped the Japanese invasion and then sent help to Singapore. So long as America held the Philippines, it held a fine land, air, and naval base out of which to operate on the flank of all Japanese movements on the China coast, the Malayan Peninsula, and the Netherlands East Indies.

Conversely, the loss of the Philippines means that the Japanese control all the islands off the coast of Asia, from Paramashuto south of Kamchatka to the Netherlands East Indies, and that bases of their attacks on the Dutch possessions can be moved from Formosa and the Pescadores to Mindanao and the Sulu archipelago a thousand miles closer to the Netherlands East Indies. It means that unless the Netherlands East Indies can be held, America's only remaining bases in the south Pacific for an attack on Japan become Australia and New Zealand, 6,000 miles from Tokyo.

But are the Philippines really lost?

With the exceptions of 20 miles of the Batan Peninsula on the Island of Luzon, a portion of Mindanao and the three small fortified islands—Corregidor (Fort Mills), Caballo (Fort Hughes), El Fraile (Fort Drum), at the mouth of Manila Bay—all-important of these 7,083 islands of the Philippines (a combined area only a little smaller than the British Isles) have fallen into Japanese hands or under Japanese control. And they are in control of all the air over them, and the seas around them. In spite of the incredibly gallant—and useful—delaying action MacArthur and his men are fighting, when such ammunition, armament, and food as they have in larder or locker run out, surrender must ring down the first act of the drama of the Philippines.

#### HOPELESS MILITARY ASSIGNMENT

Why did this happen?

Because General MacArthur and the gallant soldiers under his command were faced with a hopeless military assignment. From the beginning they didn't stand a "China-man's chance," which, incidentally, seems rather better than the white man's against the Japanese in the Orient now.

On that dark December day when the Japs erupted all over the Pacific, General MacArthur had fewer than 55,000 trained and equipped American and native troops. He had a limited supply of imported ordnance and ammunition on hand, and no native armament industry to make up action loss in these. He had a small number of tanks and airplanes and flying fortresses. How many was once a deep military secret. But that they were not enough is no military secret to anybody now. The number was far too small to overcome the many times larger Jap Army aviation, which, once the Jap Army had established bases in the Philippine Islands, could lay its eggs almost at will.

MacArthur's naval support, Admiral Tommy Hart's Asiatic Squadron, was a mere handful

of cruisers, destroyers, submarines, and Navy planes, based at vulnerable Cavite. Admiral Hart's assignment, which was in effect to protect 11,444 miles of Philippine seacoast against the whole Japanese Fleet and its air arm, operating out of nearby Tokyo and closer air and naval bases, was perhaps even more of a pineapple than MacArthur's. In the China Seas themselves it is doubtful if Hart's squadron was strong enough to stand up against one Jap battleship, fully supported by airplanes, destroyers, and submarines. How unhealthy life on a cruiser must be today in the China Seas one may guess, reading in the papers, that Admiral Hart arrived in the Netherlands East Indies, "not abroad his flagship, the cruiser *Houston*, but in the bowels of a submarine.

#### JAPAN WELL PREPARED

And what did the Japs have? Plenty—and that near at hand. They had the fully mobilized manpower of a fanatic nation of 101,000,000 people, which has had universal military training for almost 75 years and which, according to the President, has been preparing for 25 of these 75 years to fight the United States of America and the British for the control of the far Pacific. It is estimated the Japanese have 10,000,000 trained reservists who can be called to the colors. Of course, they have not the officers, arms, and equipment for this number. They have for perhaps 3,000,000.

Seasoned in modern warfare by 4 years in China, this professional army, less the troops needed for holding Chiang Kai-shek, occupying Indochina and Thailand, and invading the Malayan Peninsula, was poured into the Philippines, which lie right in Japan's Pacific back yard. According to our War Department, 200,000 men, fully supported by naval and air units, were thrown against MacArthur's 55,000 defenders in the invasion of Luzon.

And why did MacArthur not have "more on hand" to meet this overwhelming attack when it came? He had too little on hand because there was too much in demand by our Allies and by ourselves in the European theater of war.

General Marshall, who had long understood the Pacific danger, had 6 or 8 months been sending whatever reinforcements he could lay his eager hands on to the Philippines. But he was faced with other fronts, other foes. He had had to find troops, complete with modern armament and planes, for Alaska, Hawaii, the Panama Canal Zone, and all our newly acquired Atlantic bases from Iceland to Trinidad, to Dutch and British Guiana, not to mention material we had committed ourselves to send to the British in England and Africa and the Russians holding before Moscow. Admiral Stark, commanding a one-ocean navy, committed to safeguarding two oceans and seven seas, was in the same unhappy fix: Too little on one hand, too much in demand everywhere; that was the road to the Far Eastern disaster.

#### POTENTIAL PLANES WORTHLESS

And where did the Japs get "the stuff" from? The planes, tanks, guns, armaments? From an industry which has been built from the beginning for war output for many years, from the "slave labor" of 101,000,000 people with low living standards, from quantities of hoarded raw materials, scrap, oil, iron, rubber, bought from Great Britain and the United States of America to use in the accomplishment of our very destruction. There can be no argument that potentially America's industrial war output is much greater than Japan's. But MacArthur could not hold the island of Luzon with potential planes or bullets.

And why was help not sent to MacArthur from Singapore and the Netherlands East Indies? Because the British and the Dutch were themselves, from the very beginning, in a similar jam. That great baseball-loving

nation, Japan, was executing a gigantic series of military squeeze plays on Dutch, American, and British positions. None knew where the main attack would really fall, so none dared leave his base in force to help his neighbors out. In fact, the attack on the Malayan Peninsula began even before the Japs landed at Luzon. And the fall of Hong Kong, the last great European fortress on China's coast which could threaten the flank of Japan's southward march, the nightmare loss of Britain's two great "unsinkable" capital ships, the *Repulse* and the *Prince of Wales*, had left the Jap battle fleet sailing pretty, free from danger of any knock-out blow and substantially in control of the China Seas between Manila and Singapore.

While the British, caught with their imperial shorts down, tried to get set with everything they thought they had to stem the invasion that steamed down both sides of the Malayan Peninsula toward the ramparts of Singapore, Dutch submarines and Dutch aviation did what little they could to relieve the heavy pressure on the Philippines until Jap bombers began to drop their visiting cards in the Netherlands East Indies, and as a testimonial of greater favors to come, landed troops in both British and Dutch Borneo.

Australia and New Zealand, even before December 7, had sent to North Africa, eastern Asia, and the Malayan Peninsula nearly all the troops they could spare. The sicker Singapore and the Philippines looked, as the Japanese galloping consumption raged to their north, the more wisdom dictated, perhaps, to the Australians and New Zealanders, that they keep the remainder of their manpower to roll with the punch, should the punch land at home.

The Chinese could relieve the Philippines only indirectly by staging offensives on the Sino-Japanese front. Sorely lacking modern armament, ammunition, and airplanes, they had found it impossible even to drive down behind the Japs on the Kowloon Peninsula to relieve the besieged British at Hong Kong. The handful of American planes and pilots (estimated at between 50 and 150) sent before December 7 to their army of 4,000,000 to lick the Japs with could do little more than try to help the British under bombardment at Rangoon—the mouth of their own lifeline, the Burma road.

#### HANDICAPPED BY DISTANCES

From the beginning MacArthur and his 55,000 troops, facing an invasion by 200,000 men, were on their own. For the British and the Dutch and the Chinese, like MacArthur himself, were also—from the beginning—looking desperately for help. Looking where? Thousands on thousands of miles off across the purple wastes of the Pacific to the U. S. A.

And what was the U. S. A. doing? Reeling from the first few weeks under the shock of the losses in planes and ships at Pearl Harbor. And then taking, for the first time, alas, a good look at the immutable geography of the Pacific Ocean. Realizing that help, ships, guns, planes, tanks, or troops, to reach MacArthur directly had 7,000 miles out of San Francisco, 5,000 miles out of Hawaii to go. But not entirely realizing that these thousands of miles were exceedingly dangerous miles, a reckless highway for ships to sail.

Less than 2,000 miles west of the Hawaiian Islands lie the first nasty little group of Japanese islands, the Marshalls. From there on west to the Pelew Islands, only 500 miles east of Manila, there are nothing but Japanese islands. It is reasonable to suppose that a nation which has been preparing to gain mastery of the Pacific for 25 years has garrisoned, armed, and supplied these like dens of thieves. This explains, no doubt, why Guam and Wake, lying between Honolulu and the Philippines, have both been captured, without naval interference out of Hawaii.



So help sent from the United States must either pick or fight its way through this pirate's nest of Japanese islands—well supplied with submarine and air bases—or else trek far south, below the Equator, and from there trek again north to the Dutch East Indies and the Philippines. This reasonably safe route is a piddling matter of 12,000 miles out of Frisco. Meanwhile, remember Tokyo lies only 1,500 miles from Luzon. Simple arithmetic will show that one Jap troop or supply ship, used in the attack on the Philippines, could make almost eight round trips to an American relief ship's one.

#### OTHER STRATEGIC BASES

Another unpleasant little item on the geographical agenda is Formosa. This island, only 400 miles from northern Luzon, has been Japanese since Japan grabbed it from China after the first Sino-Japanese War in 1895. Well known to military men is that on Formosa's southern tip there are a number of Japanese military bases. Off Formosa, in the Pescadores Islands, is another important Japanese military base which no white man is supposed ever to have visited—but which white men will certainly have to visit yet if this war is to be won.

Expeditions such as those landed in Luzon could be secretly assembled in these bases, sail across the Bashi and Balintang Channels, where there is very little shipping, and suddenly appear in the hot, red, tropical dawn at Aparri, Vigan, the Lingayen Gulf ports, Atimonan, Mauban, and Legaspi. Precisely this unpleasant surprise party began to happen about 7 weeks ago.

Likewise, an expedition could be assembled secretly in the Pelew Islands, sail the 500 miles of lonely waters to Davao, and only make its presence known when it attacked. And that way went Mindanao.

Why didn't our fleet steam at once out of Honolulu to attack the Jap Fleet in, say, the waters between Hawaii and Tokyo? Because much of the American Fleet was, it may be assumed, operating in the Atlantic, and what was in the Pacific, undamaged by the attack at Pearl Harbor, was probably not any stronger than the total Japanese Fleet, and therefore not strong enough to operate in Japanese waters from the base in Hawaii, 3,400 miles from Tokyo. Moreover, all the Japanese Islands, running south and somewhat west to the Japanese Caroline Islands, form an outer line of Japanese defense. From these islands Japanese airplanes and submarines could operate on the left or southern flank of our fleet, should it attempt to steam 3,400 miles past them to Tokyo. Such an unwise maneuver on our part would have been entirely a Japanese cup of tea.

#### SURPRISE A BIG ADVANTAGE

Did the treacherous attack on Pearl Harbor greatly change our strategic situation in the Pacific?

First, let us have done with this word "treacherous." "Treachery" in the dictionary is defined as "secret desertion of the cause to which one professes allegiance." On December 6 the Japanese diplomats were not professing any allegiance to our cause at Washington. They were open and full-fledged Axis partners. For 25 years—a fact well known to our military and naval men—they had been preparing for war on us. Gaging that the time had come at last, in the attack on Pearl Harbor, they wisely took the military initiative.

Gen. Homer Lea, American military expert and author of *The Valor of Ignorance*, wrote 35 years ago, "When the rate of speed by which nations move to the point of contact has been ascertained, it devolves upon ministers of state to anticipate any overt act on the part of the enemy and initiate the war. "When a state does not initiate war, it commits its first error against the principle of military science. When it waits to make ready for war after hostilities have been de-

clared, it only prepares to destroy itself. So essential is this principle of initiation to success in warfare that there is no instance within the last 200 years where sufficient warning has been given that permitted the enemy to undertake military preparation. The necessity of a declaration of war is only a modern illusion. \* \* \* In future it can be considered as an established principle that nations will more and more make war without previous notification, since modern inventions increase their ability to take their opponents by surprise and to strike the first blow as nearly as possible to their main base."

By failing to anticipate Japan's overt act, by failing to build up in the Pacific the army and navy and air force necessary to win and then initiating this inevitable war, by allowing Japan to strike first at our main Pacific base, Pearl Harbor, we most certainly threw away incalculable military advantages in the Pacific. Had we and Britain both acted in time, the Japanese would be on the defensive everywhere today instead of the offensive.

In spite of its victories, is Japan still committing hara-kiri? If we say so—and make the say-so good—if we fully realize our vast potentialities in armament and manpower, and if we are willing to shed many tears, sweat gallons of salt, and spill a lot of brave American blood—otherwise not.

Mr. DANAHER. Mr. President, in view of the conclusion stated in the report filed by Mr. Justice Roberts and his associates, that the high command in the Hawaiian Territory seemed to conclude that there was no possibility of an attack upon Pearl Harbor, and that the attack would lie entirely in the direction of the East Indies and the Malayan Peninsula, if at all, it is interesting to note in the address by Prime Minister Churchill before the House of Commons yesterday the following statement:

It seemed very unlikely that the Japanese would attempt the distant invasion of the Malayan Peninsula, an assault on Singapore, and an attack on the Dutch East Indies, while leaving behind them on their flank and rear this great American fleet.

I end the quotation at that point, for the contrast is so obvious and direct between the conclusion reached by the officers in Hawaii and that stated by the British Prime Minister to the House of Commons. In the course of his address, however, he further indicated to the members the problems and questions arising with reference to the deployment of British personnel and matériel. He said:

But this question is serious and, large as it is in itself, it cannot be wholly decided without some attempt to answer a further question.

What was the likelihood of the Far Eastern theater being thrown into the war by Japanese attacks? I will explain how very delicately we walked and how painful it was at times—how very careful I was that every time we should not be exposed single-handed to this onslaught.

He went on to discuss the attitude and the rationale of the Japanese. He continued:

On the other hand, the probability since the Atlantic conference, at which I discussed these matters with President Roosevelt, that the United States even if not herself attacked would come into the war in the Far East and thus make the final victory assured, seemed to allay some of these anxieties, and that expectation has not been falsified by the events.

Mr. President, there has been no more cogent and pregnant utterance for days relating to the historical crisis in which this country finds itself than that of the Prime Minister before the House of Commons yesterday. It seems to me that when the British Parliament is receiving advices of that sort, as reported in today's New York Times, they should at least come to the attention of the United States through the medium of the RECORD.

#### EXTENSION OF WAR POWERS

The Senate resumed the consideration of the bill (S. 2208) to further expedite the prosecution of the war.

Mr. CLARK of Missouri. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Missouri will be stated.

The CHIEF CLERK. On page 20, line 11, after the word "only", it is proposed to strike out all down to and including the word "war" in line 13, and to insert in lieu thereof "until December 31, 1944."

Mr. CLARK of Missouri. Mr. President, the effect of this amendment is to strike out in the final section on page 20, lines 11, 12, and 13, the words which define the effective period of the act. I refer to the words "during the continuance of the present war and for 6 months after the termination of the war." I propose to insert in lieu thereof a definite date, December 31, 1944. That date, Mr. President, is arbitrary. It affords nearly 3 years in the future during which this extraordinary power may remain in effect unless earlier terminated by a concurrent resolution or by proclamation of the President.

I have discussed this matter with the Senator in charge of the bill, and I think he is willing to accept the amendment. The only objection to the provision reported by the committee is that it is entirely indefinite. We are now engaged in two or three separate wars. No one can say when any one of those wars may be finally terminated, and the only purpose of my amendment is to fix a definite date at which the power will expire unless it be sooner terminated by one of the other contingencies set forth in the bill as reported by the committee.

Mr. O'MAHONEY. Mr. President, the Senator from Missouri has correctly stated the situation. The amendment is quite acceptable to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK].

The amendment was agreed to.

Mr. CLARK of Missouri. Mr. President, I also desire to withdraw the motion which I entered yesterday to reconsider the amendment on page 13.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURDOCK. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The CHIEF CLERK. On page 20, lines 13 and 14, it is proposed to strike out



"or until such earlier time as the Congress by concurrent resolution, or the President, may designate."

Mr. MURDOCK. Mr. President, I think the amendment just offered by the Senator from Missouri and adopted by the Senate is a very proper amendment. By adopting his amendment, we fixed a definite date of termination of this legislation. If the date fixed in the amendment of the Senator from Missouri does not provide sufficient time to take care of the situation, what a simple matter it is for Congress to vote, as it has voted time and again, to extend the date and to extend the powers granted by what has been called emergency legislation. I have made on this floor, Mr. President, one speech during consideration of the lease-lend bill pointing out that this Congress has adopted a new procedure in respect to the termination of legislation. That procedure is by granting to the President of the United States, whenever he sees fit to do so—whenever he makes up his mind that the powers created and granted to aid our war program should terminate—the power to terminate them simply by proclaiming the termination of the law. We talk, Mr. President, about granting under the bill unlimited powers to the President of the United States and to others in the executive department, but under this bill the greatest power that we grant to the President is the power to terminate the act whenever he shall see fit to do so.

Mr. Justice Cardozo, in the *N. I. R. A.* case, pointed out that we have the power to delegate certain functions with reference to legislation to the executive and administrative departments of our Government, but in his decision—and in every decision which has been written since then—it is pointed out that in the delegation of such power we must set up standards; to use his language, we must "canalize the delegation of powers"; there must be some limit to them—some standards set up which must guide the person who finds the facts and arrives at the conclusion.

It is an easy matter here on the floor to disregard the Constitution of the United States. It is an easy matter for Senators to say they have not time to listen to the arguments which may be made on a constitutional question; and I should not detain the Senate today in presenting this matter again, except for the sincerity with which I look at this question and the study I have made of it. It has been said by some of the greatest students who ever studied our Constitution that they did not fear the loss of our constitutional democracy from the outside, but what they did fear was a constant whittling down of the Constitution from the inside until by such a process we lose it. We are spending, or in a short time will be spending, at least \$1,000,000,000 a month—to do what? To preserve the Constitution here in the United States; to preserve and to perpetuate what we call the American system. What is that system? The system is the system which is set up in the Constitution. Some persons like to consider the Constitution as a static thing; something to be framed and hung on the wall;

something to be referred to in patriotic speeches. But as I look at the Constitution and as I consider it it is a dynamic formula of government to guide our every action, and by which we can ably and efficiently meet every emergency which may arise. Nearly a hundred years ago it was pointed out in the Senate Chamber by the great Senator from South Carolina, Calhoun, that the Congress would be frequently tempted to strike down the veto power of the President. We have in this provision, in the last title of this bill, the unconstitutional provision of delegating to the President the power to repeal this act; and side by side with it we have the other unconstitutional provision of reserving to the Congress of the United States the right, by concurrent resolution, to terminate the legislation and thereby deprive the President of the United States of his power of approval or disapproval.

Some Senators, in answering my argument, say, "Why, Senator, we could make the termination of this bill contingent on the falling down of the Washington Monument." They have said, "We could make it contingent on the next eclipse of the moon; we could make it contingent on the arising of any fact or upon the development of any conditions." Yes; for the sake of argument I agree with that proposition. There is no question that we can terminate legislation by the happening of some event in the future; but we cannot invoke the legislative will of Congress, except as provided in the Constitution of the United States.

The argument I am making this afternoon does not involve votes of our constituents, as some amendments have done; it is not a matter in which Senators are interested because someone is going to vote for them or vote against them. But, Mr. President, the proposition I am seeking to lay before you today is, in my opinion, the most vital proposition that is found in this act, and that is the Constitution itself. When I made my argument during consideration of the lease-lend bill, and following the argument of the Senator from Iowa [Mr. GILLETTE], the majority leader of the Senate, as I understood him, also took the same position that I took then and that I take today.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield to the Senator from Iowa.

Mr. GILLETTE. In connection with the presentation the Senator was just making so ably with reference to the termination of these powers on the happening of a certain contingency—as he suggested had been presented by those—

Mr. MURDOCK. Yes; such suggestions had been made to me during discussion of the bill by the Judiciary Committee.

Mr. GILLETTE. Yes. Is it not a fact that the contingency specified could not be an illegal happening or an unconstitutional happening?

Mr. MURDOCK. I agree with the Senator.

Mr. GILLETTE. It could not rest on such an occurrence, it seems to me.

Will the Senator yield for one further moment?

Mr. MURDOCK. I am glad to yield.

Mr. GILLETTE. As proof and in support of the Senator's assertion of the distance this Congress has gone by passing legislation of this kind, let me point out with respect to the conference report we agreed to yesterday—the conference committee report which was so ably handled by the Senator from Michigan [Mr. BROWN]—that the committee considering that proposal had in the original bill a provision that the powers would terminate on a certain date, or could terminate upon the date of the enactment of an act of Congress; and a committee of this body in its wisdom struck out the provision as to termination by an act of Congress, and substituted the words "the passage of a concurrent resolution." But under the constitutional provisions the passage of such a concurrent resolution would be an unconstitutional act, in changing an act of Congress.

Mr. MURDOCK. I am sure the Senator is absolutely correct in his statement.

Mr. LEE. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield to the Senator from Oklahoma.

Mr. LEE. A while ago the Senator said that we could make the termination of this law contingent upon the eclipse of the moon or the rising of the sun. As the bill came in, it was contingent on the setting of the rising sun; was it not? [Laughter.]

Mr. MURDOCK. I thank the Senator for his contribution.

But, Mr. President, suggestions have been made to me that this Congress can terminate the legislation on the happening of any event that it sets out in the bill. That is true unless the event is prohibited by the Constitution itself.

Now let us look at the Constitution. I know we do not have much time to consider the Constitution of the United States. These are times of emergency. We do not have time to think in terms of that organic law, even though we are spending a billion dollars a month to save it. After providing how a bill shall be passed—that is, it must be passed by a majority of the House, then by a majority of the Senate, and then must be referred to the President of the United States for his approval or disapproval, but if he disapproves it can be passed only by a two-thirds majority of both Houses—the Constitutional Convention did not stop; they went one step further and provided—and I hope Senators will give their attention to this paragraph of the Constitution—

Every order, resolution, or vote to which the concurrence of the Senate and the House of Representatives may be necessary (except on a question of adjournment, shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two-thirds of the Senate and the House of Representatives, according to the rules and limitations prescribed in the case of a bill.

I ask you, Mr. President, and I ask Senators here present, under the provi-



sions of the title XV, suppose the President should get up some morning 6 months hence or a year hence and make up his mind that the powers created by the pending bill were no longer needed, and he proclaimed that fact, if this provision of the bill is constitutional, would that be the end of it? I wonder if the framers of the Constitution ever contemplated that legislation duly passed by the Congress could be stricken down by the President whenever he made up his mind that it should be.

I suggest for the consideration of Senators the thought that if we can delegate the power to terminate this bill to the President, then there is no reason under the sun or under the Constitution why we cannot write a general provision saying that whenever the President so proclaims all law shall come to an end in the United States.

Is there a Senator who will stand up and say that under the Constitution we could do that? To me it is an absurdity to think that we can delegate power to the President to terminate in such a manner a piece of legislation after it has been adopted by the Congress and approved by the President.

We can delegate the power to the President under certain prescribed standards to find certain facts, and, after having found the facts, to proclaim them and terminate legislation in that way; but are there any standards in this provision of the bill as it now stands? The only thing it says is—

or until such earlier time as the Congress by concurrent resolution, or the President, may designate.

Is there any rule to guide him? Is there any standard to which he can look to guide him as to what the will of Congress is? Absolutely no. Mr. President, read the Cardozo opinion in the *N. R. A.* case and see if you can square it with that kind of delegation of power to the President of the United States. When we delegate that type of power to the President, what is the natural thing for Congress to do? The natural thing for Congress to do is to say, "We have delegated that power to the President; now we reserve to ourselves, we reserve to the two Houses the right to terminate legislation by a concurrent resolution without sending it to the President.

We find three indefinite conditions in this bill under which it may be terminated. One, which has been corrected by the amendment of the Senator from Missouri [Mr. CLARK] that on the cessation of hostilities or the ending of the war the powers under this bill shall terminate. The able Senator from Missouri pointed out that that was too indefinite, too uncertain a guide, because war may cease with Japan and still continue with Germany and Italy, or war may cease with Italy and Germany and we may still be engaged in war in the Pacific with Japan. So, of course, it was correct, right, and proper that the Senate of the United States should strike out that indefinite feature of the bill and put into the bill a definite date on which it would expire.

Why should any legislation leave the Congress of the United States in indefinite form? Why should there be any contingency to which we must look in order to terminate the legislation? That one indefinite feature has been eliminated by putting in a definite date, but there still remain two indefinite and unconstitutional provisions in respect to termination which my amendment would strike.

My amendment does this, and this only: It eliminates the other indefinite and uncertain features of the bill. One is the provision that Congress may determine by concurrent resolution when the powers terminate; the other is the power of the President to terminate it whenever he gets ready to do so.

I have studied everything on which I can lay my hands with reference to concurrent resolutions. I call the attention of the Senate to the fact that some years ago this very question was submitted to the Judiciary Committee of the Senate. The question that was asked of the committee was, "What is the function of a concurrent resolution; when and how and for what purpose may a concurrent resolution be adopted?" The Judiciary Committee of the Senate answered that question in quite a lengthy report. I now read from the Judiciary Committee's report, found in *Hind's Precedents*, volume 4, section 3483, and if there is any doubt in any Senator's mind what the purpose and function of a concurrent resolution are here is the answer submitted after this Government had gone along for over a hundred years:

The committee found that the passage of concurrent resolutions began immediately upon the organization of the Government, but their use has been, not for the purpose of enacting legislation but to express the sense of Congress upon a given subject, to adjourn longer than 3 days, to make, amend, or suspend joint rules—

Something, of course, peculiarly within the functions and province of Congress and having nothing to do with the President or any legislative matter—

and to accomplish similar purposes, in which both Houses have a common interest, but with which the President has no concern.

Does that answer the question? Does the President have any concern about when his powers under this bill will terminate?

Suppose Congress after the next election should decide that these powers should no longer continue; but suppose the President, who is directly charged with the conduct of the war, should say, "We are not yet half through with this emergency. We have not half won this great war for the preservation of democracy." Suppose the Congress, by this procedure of the concurrent resolution, should say, by a majority, that the powers were no longer needed. Then we should have the President without power to go ahead and conduct the war. Why? Because of a reservation, in my opinion, of unconstitutional power in this bill.

There are other paragraphs and other statements here of the great Judiciary Committee which wrote this report that I desire to read to the Senate.

Reading another sentence from the report, we find this language:

They—

Referring to concurrent resolutions—have never embraced legislative provisions proper, and hence have never been deemed to require Executive approval.

Of course, a concurrent resolution which has to do with an adjournment of either House of Congress for more than 3 days, or a concurrent resolution which has to do with certain joint rules of the two Houses, has nothing to do with the President. Of course, the expenditure by concurrent resolution of moneys appropriated to the contingent funds of the two Houses has nothing to do with the President. In 150 years of Government under our Constitution we never thought of using the concurrent resolution to terminate legislation until the advent of the New Deal. Then some persons—I think the movement was initiated at the other end of the Capitol—who did not like the President, some persons who did not like the New Deal, saw fit to inject the first concurrent-resolution provision into the reorganization bill. I argued in the House at that time that the use of the concurrent resolution for any legislative purpose was absolutely unconstitutional. The seemingly persistent effort to use the concurrent resolution to terminate legislation recalls to my mind statements of James M. Beck, made on the floor of the House time and time again. What were they? That great student of the Constitution said time and again:

I am not fearful of the striking down of the Constitution from the outside; but the thing that I fear is the gradual whittling away of the Constitution by the Congress itself.

Was there any greater student of the Constitution than James M. Beck during his lifetime? My colleague from Michigan, my colleague from Iowa, who sat in the House with me when James M. Beck was a Member of that body, heard those statements made by him. Whenever Mr. Beck spoke, every seat in the House filled up. Why? Because we realized that there were few, if any, men in Congress at that time who so thoroughly and so sincerely had studied and understood the Constitution of the United States.

We are a policy-making body. I ask Senators this afternoon, if and when the time comes that the Congress determines that it wants to take away these powers by concurrent resolution, and the President shall say, "Nay; I need the powers; we must have them to go on," what will happen on the floor of the Senate and on the floor of the House? The question will be debated, will it not, some Members taking the position with the President that the powers should be continued, other Members taking the position that the powers should be stricken down by concurrent resolution? What do we do in such a case? We again debate what the policy of the Government should be—on what question? On the question of whether those powers should be continued or terminated.

Can any Senator stand up here today, in the face of this report of the Judiciary Committee made years ago, and say that



the President has no concern, no interest in the termination of these powers? Of course, he cannot say it, because striking down the powers given under this bill and others might be the most vital thing in the life of our Republic.

Since the reorganization bill passed I have watched four different measures come to the Congress, all of which have contained in their text this procedure of striking down legislation by the concurrent resolution route. I say, Mr. President, and call the attention of the Senators who are willing to listen to my feeble effort this afternoon to the fact that if we can terminate the life of this bill by concurrent resolution, requiring only a majority vote of the two Houses, without the President having any say about it, then tell me why we cannot this afternoon enact a general bill saying that all legislation now in existence or hereafter enacted may be terminated by concurrent resolution?

Is there any Senator on the floor today who would stand in his place and say that such a general provision of law could be enacted here and that it would be within the Constitution of the United States? Of course, not; because, if he did, what would happen? Every law on the statute books would be in danger. Everything we have done in the past 150 years under the Constitution, if this provision in this bill is constitutional, could be stricken down under a general bill doing that very thing. If such procedure is unconstitutional in a general bill, is it not just as unconstitutional to do it piecemeal?

Senators may say this matter is not important. Senators may say, "Senator MURDOCK, you are talking about a thing that is so technical that it is not worthy of the attention of the Judiciary Committee or of the Senate." My answer to that statement is that if the Constitution of the United States is technical, if the Constitution of the United States is so unimportant that it cannot be discussed either in committee or on the floor of the Senate, then yes; my efforts here are futile.

I make the further observation that we find the President of the United States concurring in this procedure. Why? I have called his attention to the fact. I said to him in a letter recently written:

Mr. President, the primary duty of protecting the veto power is vested in you; but, on the other hand, Mr. President, that does not excuse me, that does not excuse any Senator, for neglecting his duty—to do what? To keep the oath that he takes before he becomes a Member of this great deliberative body.

What do we do when we take the oath? We say that we will with all the power and influence and vigor at our command, preserve and perpetuate the Constitution of the United States. How do we preserve and perpetuate the Constitution of the United States? Do we do it with a gun? Do we do it with a bomber? No. There is just one way in which we can preserve it. There is just one way in which we can perpetuate this American system of ours. There is just one way in which we can preserve our constitu-

tional democracy, and that is by our voices and our votes right here in this Legislative Chamber.

Mr. BROWN. Mr. President—  
The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Utah yield to the Senator from Michigan?

Mr. MURDOCK. I yield to the Senator.

Mr. BROWN. I am much interested in what the Senator is saying. I should like to know under what circumstances he believes that a concurrent resolution relative to the termination of a law can perform a function.

I recall very well that the Senator from Iowa and I proposed the compromise which finally brought about the enactment of the reorganization law, by which we provided in substance that when the President, under the authority of the act, proposed a shift of authority from one Government agency to another, that Executive order would not be effective, if during a certain period of time stated in the act Congress adopted a concurrent resolution disapproving of the President's Executive order. At that time good lawyers in the Senate seemed to think we were on sound constitutional ground, although there had been an opinion by Attorney General Mitchell sometime previous, during the administration of President Hoover, I believe, that it could not be done in this way. Of course, in that case what we did was to withhold from the President the power of transferring functions or agencies from one department of Government to another until the happening of a certain event, or the passing of the time during which the disapproval could be made. The President's power was subject to a subsequent condition.

Applying that situation to the bill to which the Senator is now addressing himself, it seems to me that the office of a concurrent resolution with respect to the termination of a law is performed when an event stated in the law which justifies the termination of the law occurs. The resolution determines or finds that the event has occurred. I think the Senator is entirely correct in pointing out that there is nothing in section 1501, title XV, on page 20, which states the circumstances which the concurrent resolution would determine to be in existence.

Perhaps I have not expressed myself very clearly, but what I wish to get at is, What is the office of a concurrent resolution with respect to the termination of a law, as the Senator sees it? I have tried to state my understanding.

Mr. MURDOCK. My position is that the concurrent resolution cannot under our Constitution ever be used to terminate legislation, because the Constitution provides in as concise, in as cogent, in as direct language as can be employed that whenever the concurrence of the two Houses is needed on any vote, any resolution, of the Congress, the measure passed must be submitted to the President.

Early in our history it was determined that matters which had to do with no legislative matters, which in no way were the concern of the President of the United States, did not need to be referred

to him, and I read to the Senate a few moments ago from the report of the Committee on the Judiciary of a former Congress what the function of the concurrent resolution is. This is the statement:

But their use has been not for the purpose of enacting legislation but to express the sense of Congress upon a given subject—to adjourn longer than 3 days; to make, amend, or suspend joint rules; and to accomplish similar purposes in which both Houses have a common interest, but with which the President has no concern.

Coming to the question the distinguished Senator asks about, the concurrent-resolution provision in the Reorganization Act, we did not reserve to ourselves in that act the power to terminate legislation. We reserved in that act the right to pass on any reorganization plan which the President might submit.

I do not care to argue the question today as to whether or not that provision with reference to the concurrent resolution is constitutional or not, but I did make the statement, and debated the question on the floor of the House, that that was a reservation of judicial or quasi judicial power on the part of the Congress to reexamine the action of the administrative department under legislation we passed.

I take the position today that we have no more right to reserve judicial power to the Congress than we have the right to reserve the power to terminate legislation in which the President has some concern by a concurrent resolution. My argument today is not wholly against the concurrent resolution, but it is as well against the delegation by Congress of the power on the part of the President to terminate legislation without canalizing the authority delegated, without fixing standards.

The Senator from Michigan is right; we can use and we can delegate power to bring a law to termination by saying that the President of the United States, or the Secretary of War, or the Secretary of the Navy, or three or four of such men, whenever they find the fact that the war with Japan has come to an end, whenever they find the fact that hostilities with Germany and Italy have come to an end, and proclaim those facts and make a report to us setting out the facts—then I say we have canalized and we have set up standards under which that delegation of authority can be carried out, and only in that way can it be done.

If the Senator will look at the bill before us today, he will find that all it says is that "titles I to X, inclusive, and title XII of this act shall remain in force only during the continuance of the present war and for 6 months after the termination of the war."

Then comes the particular language to which I refer, the particular language to which I object to as unconstitutional, "or until such earlier time as the Congress by a concurrent resolution or the President may designate."

Is there anything which could be considered as a standard, is there any fact to be found or any proclamation to be made, except that the law is terminated?



Mr. BROWN. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. BROWN. My entire thought would be based upon the proposition which I give to the Senator by way of illustration, if on line 13, after the words "until such earlier time" we inserted language to this general effect, "such earlier time when five or six of the countries with which we had theretofore been at war were no longer engaging in hostilities as found by the President or as found by concurrent resolution."

Mr. MURDOCK. I would agree that we could delegate that power to the President under proper standards, but under this prohibition of the Constitution which I have read—and I am not so sure that if I had been in the Constitutional Convention I would have agreed to it, but men far wiser than I wrote it into the Constitution—after telling how a bill, and the only way in which a bill, can be enacted they proceeded with another paragraph, because the only thing referred to in the first paragraph is designated as "bills," "all bills," and then in the next paragraph "every bill."

But perhaps some wise man in the Constitutional Convention thought that some legislator in the future may attempt to get around that by the use of the word "resolution," or some other word which was not covered by the word "bill," and so they wrote this additional paragraph, which I shall read again, even at the expense of boring the Senate with the constitutional provision:

Every order, resolution, or vote—

Is a concurrent resolution a bill? Most certainly. Can it be adopted without a vote? Most certainly not.

Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by a two-thirds vote of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill.

Mr. President, I ask that section 7 of article I of the Constitution be set out at this point in full.

There being no objection, section 7 was ordered to be set out in full, as follows:

SEC. 7. All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with the amendments as on other bills.

Every bill which shall have passed the House of Representatives and the Senate shall, before it becomes a law, be presented to the President of the United States; if he approves, he shall sign it; but if not, he shall return it, with his objections, to that House in which it shall have originated, who shall enter the objections at large on their Journal, and proceed to reconsider it. If, after such reconsideration, two-thirds of that House shall agree to pass the bill, it shall be sent, together with the objections, to the other House, by which it shall likewise be reconsidered; and if approved by two-thirds of that House, it shall become a law. But in all such cases the votes of both Houses shall be determined by yeas and nays, and the names of the persons voting for and against the bill

shall be entered on the Journal of each House, respectively. If any bill shall not be returned by the President within 10 days (Sundays excepted) after it shall have been presented to him, the same shall be a law, in like manner as if he had signed it, unless the Congress by their adjournment prevent its return, in which case it shall not be a law.

Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or, being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill.

Mr. MURDOCK. Words could not be plainer. Language could not say a thing in more concise terms than that language says it.

As I walked out of the Senate Chamber the other day, I was contacted by one of the great constitutional lawyers of the House. He called me over because of our intimacy, and he said, "Senator, have you examined this bill?" I said, "Yes; especially this one provision." He asked me this question, knowing my position: "Do you not think that a majority of Congress should have the right to do what they want to do?" I said, "I believe, Mr. Representative, that the Congress should have a right by a majority vote to do what it wants to do and what it pleases, but when you are operating under a written constitution, as this Congress is, which provides the way in this plain language, then it behooves me and you, under our constitutional oath, to follow that language."

There is one other provision in this report which was made by a former Judiciary Committee and I am not sure that any member of the present committee, except myself—although I have called it to the Senate's attention—has ever read it, but it is a report made by the same committee in a former Congress which reported this bill. The committee ends its report as follows:

And to avoid incorporating in such resolutions—

Referring to concurrent resolutions—any matter of strict legislation requiring such presentation.

To the President of the United States. Then, again, in another paragraph:

Whether concurrent resolutions are required to be submitted to the President of the United States must depend, not upon their mere form but upon the fact whether they contain matter which is properly to be regarded as legislative in its character and effect.

Some Senators say that this procedure for termination is not the repeal of legislation; that it is merely fixing a procedure by which the legislation is terminated, but certainly the repeal or termination of legislation has exactly the same effect. To repeal or terminate legislation is just as important a legislative function as the enactment of it. The repeal of legislation is the determination of policy by the Congress of the United States. The repeal and termination of legislation will be and should be debated on the floor of the Senate just the same

as the enactment of legislation. For that reason, Mr. President, for the Congress to say that we have the right to terminate or the right to repeal by concurrent resolution, simply means that we reserve the unconstitutional right to enact legislation by a majority of the Congress without referring it to the President of the United States.

Mr. President, in conclusion, I desire merely to point out what my amendment does in connection with the amendment adopted by the Senate a few minutes ago and presented by the able Senator from Missouri [Mr. CLARK]. In his amendment he has fixed a definite date for the termination of this legislation. In my opinion all legislation should be as definite and certain when it leaves the Congress as it is possible to make it. By the amendment of the Senator from Missouri we make the termination of this legislation definite. If the time is not long enough, by a joint resolution of Congress, approved by the President, we can extend it for any period we want to.

All my amendment does—and I am acting in the best of faith; I am as sincere as I can be after giving the matter very thorough study—I ask the Senate to eliminate what, in my opinion, are unconstitutional, indefinite provisions, which should not go into the bill.

Mr. O'MAHONEY. Mr. President, I shall content myself merely with saying that this matter was considered in the committee. The Senator from Utah and the Senator from Texas led the discussion in the committee. It was the decision of the committee that since this provision is contained in the first War Powers Act and is contained in several other temporary measures enacted by the Congress, that it should not be now eliminated, and so I merely want the Senate to know that the issue raised by the Senator from Utah [Mr. MURDOCK] so ably and clearly was discussed by the committee, and the amendment which he now asks the Senate to approve was by the committee rejected.

Mr. MURDOCK. Mr. President, will the Senator yield for just a question?

Mr. O'MAHONEY. I yield.

Mr. MURDOCK. In my presentation of the matter to the committee I felt that it was rather futile there to present it at length, but I ask the Senator from Wyoming, who is sponsoring and has charge of the bill on the floor, if he has read the report of the Senate Judiciary Committee on this very question having to do with concurrent resolutions? I have not read it at length today, but I inserted it in the RECORD during the discussion of the lease-lend bill, and it seems to me that if Senators now making up the personnel of the present Judiciary Committee of this great body would read what their colleagues of a former Congress reported to the Senate they could not disagree with the position I am taking today.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. MURDOCK] on page 20, lines 13 and 14.

The amendment was rejected.

Mr. McNARY. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.



The **PRESIDING OFFICER.** The amendment offered by the Senator from Oregon will be stated.

The **CHIEF CLERK.** On page 11, after line 3, it is proposed to insert the following new title:

**TITLE IX—PROTECTION OF WAR INDUSTRIES SUBJECT TO SEASONAL HAZARDS OF FOREST FIRES**

The President is empowered to direct the Administrator of the Federal Security Agency to assign the manpower of the Civilian Conservation Corps to the extent necessary to protect the munitions, aircraft, and other war industries, municipal water supply, power and other utilities and resources subject to the hazards of forest fires.

Mr. McNARY. Mr. President, I offer this amendment at the request of the American Forestry Association. The military services and war industries have drained the forest regions of our country of available men who are to be found in normal times. With that statement I submit the matter to the able Senator from Wyoming in the hope that he may accept the amendment.

Mr. O'MAHONEY. Mr. President, the Senator from Oregon submitted his amendment and had it printed earlier in the consideration of this measure. After consultation with members of the committee and with others he was good enough to modify it in order to bring it into harmony with the feeling of those in charge of the bill. The amendment is quite satisfactory to the committee.

The **PRESIDING OFFICER.** Without objection, the amendment offered by the Senator from Oregon [Mr. McNARY] is agreed to.

Mr. McNARY. As a part of my remarks I ask unanimous consent to have printed in the *RECORD* the letter which I received from the American Forestry Association.

There being no objection, the letter was ordered to be printed in the *RECORD*, as follows:

THE AMERICAN FORESTRY ASSOCIATION,  
Washington, D. C., January 24, 1942.  
Hon. CHARLES L. McNARY,  
United States Senator,  
Washington, D. C.

DEAR SENATOR McNARY: In the interest of guarding resources upon which our war effort is based, this association feels it would be negligent not to warn the Congress of a situation now developing which imperils supply lines in virtually every field of our military endeavor. Due to the growing shortage of employable labor, the present outlook is that forest resources now being heavily drawn on and which must continue to be heavily drawn on in the prosecution of the war may be without adequate protection from fire during the coming spring and summer fire seasons.

Specifically the situation is growing out of the fact that the military services and the war industries are draining our forest regions of men normally available for forest protection during the summer months. Added to this shortage is the curtailment and diversion of the Civilian Conservation Corps which heretofore has provided thousands of men to help local and regional forest protection agencies guard the forests and suppress fires when they occur.

The forthcoming extension of the draft and the current expansion of industry make the outlook progressively more acute. In virtually every major forest region where lumber operations have been speeded up to meet the war demands for wood, alarm is being expressed by forest protection agencies as to where and how manpower is to be ob-

tained to protect our forest sources of essential war material and to maintain uninterrupted the free flow of wood from the forests to meet current war demands. The supply of local men heretofore available for summer employment in fire protection is not only rapidly disappearing, but under present wage conditions local protection agencies cannot compete with the war industries for those men who may still be available when summer comes.

The situation, we believe, is one of imminent danger, first, because forest fires are the most destructive agency of forest resources and of operations in the forest engaged in supplying forest products vital to the prosecution of the war; second, normal forest fire hazards will be heightened this summer, particularly in the heavily timbered regions of the west, by the possibility of incendiary bombing from the air and by ground sabotage. Third, a combination of bad fire weather and forest incendiarism may readily precipitate a reign of forest fires that would prostrate the industrial life of vital sections on the west coast where war industries are so largely concentrated. We have only to remember, for example, the Tillamook forest fire of 1933 in Oregon which in a few days destroyed timber equal to the total cut of the entire United States; or the Matilja Canyon fire of 1932 in Los Angeles County, Calif., that swept over 200,000 acres. The list of such examples might be extended.

Public apathy in respect to the importance of guarding our forest resources as a war measure is a corollary danger of the situation. The use of wood in the production of war material and in military action is not dramatic and there is no present shortage of forests for our war needs to alarm the public or to make it fully alert to the forest-fire danger. Nevertheless, continuing supplies of forest products are vital to our whole war program, affecting such major fields as the building of training planes, cargo and fighting ships, the construction of training camps and cantonments, the shipping of food and equipment to our soldiers and battle fronts, etc. Already the war has called for 2,500,000,000 feet of lumber from our forests, and the War Department has just let contracts for upward of a billion feet more that will be needed in the months immediately ahead. The military and the war industries will continue to call for wood in these staggering amounts.

Failure to make provision, therefore, to assure adequate protection of these resources during seasons of the year when it is known they will be exposed to critical danger may easily disrupt and delay our all-out plans to win this war. Forest fires do not wait for man to organize after the fire season arrives. They can be dealt with successfully only by advance organization, planning, and preparedness. The question as it now presents itself appears to be primarily one of providing necessary manpower in advance through centralized governmental action instead of leaving it to regional protective agencies to compete with one another for labor and to be short-handed and unprepared when critical forest fires break out.

The situation, in our judgment, is so potentially serious as to warrant forest protection being rated as a war priority. Certainly it challenges the wisdom at this time of permitting continued curtailment of the Civilian Conservation Corps and diversion of its remaining forces to work of less importance than that of guarding resources essential to the maintenance of the war. The present undetermined status of the corps in the face of the imperative forthcoming need of men in the forest protective field seems unrealistic in relation to the war emergency. The corps is an established, operating organization experienced in patrolling the forests and dealing with forest fires. Its camps are already established and distributed throughout the forest

areas. It is in a position to occupy them quickly and to shift its men from one forest region to another as critical fire periods develop. Furthermore, its organization being Nation-wide, it can canvass the country from ocean to ocean enlisting young men below the draft age and men rejected by the draft.

These are advantages which local forest protective agencies do not possess. Is it good war strategy to disseminate or liquidate such an organization at probably the most critical time of the war and when the problem of maintaining our supply lines from the forests is pressing and unsolved?

This association shares the belief that non-defense expenditures of the Government should be curtailed, but in view of the situation set forth in this letter it believes that a reappraisal is very much in order of current demands that the Civilian Conservation Corps be liquidated in the interests of economy and because of its declining enrollments. As regards the economy phase, the issue as respects forest protection now appears to be not a question of saving money but of saving war-needed resources at any cost. As to declining enrollment, there are hundreds of thousands of young men below the draft age or rejected by the draft who would like to feel they are helping to win the war, and it is logical to believe that if the Civilian Conservation Corps were streamlined as a mobile protective unit and given the status of an essential war-work agency, it would easily attract the numbers needed to guard our forests and other natural resources.

Other methods of meeting the situation may be known to you. Taking advantage of the Civilian Conservation Corps is mentioned because it seems to us a most concrete, promising, and economical measure under present emergency conditions. The real purpose of this letter is to call the danger to your attention and to urge that you give it your best effort to see that in the converging pressures from other fields of war, the importance of protecting our forests during the coming fire season is not overlooked but is adequately provided for before it becomes too late to forestall disruption of supply lines so essential to the success of our whole production program.

Very truly yours,

OID BUTLER,  
Executive Secretary.

Mr. O'MAHONEY. Mr. President, earlier in the day the amendment offered by the Senator from Iowa [Mr. GILLETTE] striking out title VII was under discussion, and the Senator from Iowa was good enough to agree that it should be temporarily laid aside in order that a substitute could be drafted. A substitute has been perfected, Mr. President, and I offer it. I send it to the desk and ask that it be stated.

The **PRESIDING OFFICER.** The amendment offered by the Senator from Wyoming will be stated.

The **CHIEF CLERK.** On page 9, under the heading "Title VII—Political Activity" it is proposed to strike out:

SEC. 701. Subsection (a) of section 9 of the act of August 2, 1939 (53 Stat. 1148), entitled "An act to prevent pernicious political activities," is hereby amended by adding in the second sentence after the words "No officer or employee," the words "except a part-time officer or part-time employee without compensation or with nominal compensation."

And in lieu thereof insert:

SEC. 701. Subsection (a) of section 9 of the act of August 2, 1939 (53 Stat. 1148), entitled "An act to prevent pernicious political activities," is hereby amended by adding in the second sentence after the word "thereof"



the words "except a part-time officer or part-time employee without compensation or with nominal compensation serving in connection with the existing war effort, other than as a member of a selective service and training board, or other than in any capacity relating to the procurement or manufacture of war material."

Mr. GILLETTE. Mr. President, in connection with the offer of the substitute by the very able Senator from Wyoming I desire to say that we were all convinced that there was no disposition or intent on the part of the Senators in charge of the bill to open the door to the dangers which some of us felt were inherent in the title as presented.

On the other hand, there was no disposition on the part of any of those who were disposed to support my amendment to create a condition of injustice relative to certain minor officials such as air-raid wardens. Having that in mind, the modification was worked out. It still keeps within the provisions of the Hatch Act, Selective Service Boards, and Federal employees concerned in any way with the manufacture or procurement of matériel. After consultation with some of the Senators who were active with me and kind enough to support the proposal which I had presented, they have advised me that the substitute is acceptable to them. I am assured, on the word of honor of the Senator from Wyoming, that if the conference is permitted to consider this matter there will be an attempt to frame language which may be preferable to the language presented here.

With that explanation, and with the assertion that I believe that it makes a poor proposal very much better, I agree to the modification so far as I am personally concerned.

The PRESIDING OFFICER. Does the Senator from Iowa withdraw his amendment?

Mr. GILLETTE. Mr. President, as I understand, the substitute was offered as a substitute for my amendment. I could not very well withdraw my amendment, but, so far as I am personally concerned, I will accept the substitute in lieu thereof.

Mr. BROWN. Mr. President, I was much interested in the subject matter of the proposed amendment to the Hatch Act. I am happy to join with the Senator from Iowa in agreeing to the substitute. I think the general effect is to render a bad amendment to an iniquitous bill less offensive.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] in the nature of a substitute for the amendment of the Senator from Iowa [Mr. GILLETTE].

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. TYDINGS. Mr. President, I should like to ask the Senator in charge of the bill why, on page 8, line 11, under the heading "Title IV—Purchase by Federal Reserve banks of Government obligations," the words "without regard to maturities" are necessary.

Mr. O'MAHONEY. Mr. President, that is the language of the present act. It is

not new language. It is the present law. The amendment proposed by the committee and agreed to by the Senate today by a record vote operated to strike out certain language in the present law.

Mr. TYDINGS. As I understand, it strikes out the language "but only in the open market."

Mr. O'MAHONEY. That is correct.

Mr. TYDINGS. If that is the present law, why is it necessary to put in:

*Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities.*

If that is already the law, why is it necessary to put it in now?

Mr. O'MAHONEY. If the Senator will read the language, he will see that what we are doing is saying that this particular section shall be amended "so that the proviso will read as follows:"

Mr. TAFT. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. TAFT. The answer is that at the beginning of the section there is language dealing with the purchase by the Federal Reserve banks of other kinds of securities, securities having maturities not over 6 months. The proviso is:

*Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities.*

Mr. TYDINGS. That explains it. I wondered why it should say, "without regard to maturities."

Earlier in the day we had a vote on striking out the words "but only in the open market." Let me ask the Senator, if those words are stricken from the bill, as was done in the vote earlier in the day, how the Federal Reserve banks are to buy such bonds, notes, or other obligations other than in the open market?

Mr. O'MAHONEY. Directly from the Treasury.

Mr. TYDINGS. What will they use in payment?

Mr. O'MAHONEY. They will purchase the bonds as the Federal Reserve banks purchase any bonds. A credit will be set up on the books.

Mr. TYDINGS. I am asking for information, because I am not very expert in financial matters. As I understand, if the war should continue for 2 or 3 years and the amount of bonds and stamps bought by the public, plus the amount we raise in 2 or 3 years in taxation, should leave a sum of \$100,000,000,000 which would have to be financed other than by borrowing by the orthodox method, the Federal Reserve banks would be in a position to buy the \$100,000,000,000 of Government obligations, or whatever the amount might be, and issue therefor Federal Reserve notes.

Mr. O'MAHONEY. They would have the power to buy them directly from the Treasury in the customary manner.

Mr. TYDINGS. In that case, if I correctly interpret it, the Federal Reserve banks could conceivably buy any amount. If the war should continue for 5 years,

they might buy \$200,000,000,000 worth of such obligations.

Mr. O'MAHONEY. I think there is no doubt about it.

Mr. TYDINGS. Is there no better way of financing the war than by having the Federal Reserve banks print Federal Reserve notes?

Mr. O'MAHONEY. I will say to the Senator that the committee was not studying the problem of financing the war. The committee feels, and I personally feel, that the Committee on Finance will devote its talents to that problem. What we were concerned with was the problem of giving to the Federal Reserve Board the authority to buy such obligations directly from the Federal Government. Of course, there could be abuse of any power granted. We do not anticipate it. We feel that this is a power which, in the circumstances which confront the country, it is absolutely necessary to grant. We pray and trust that the power will not be abused.

Mr. TYDINGS. I suppose that the Treasury officials asked for this power. Did they?

Mr. O'MAHONEY. It was asked for by the Federal Reserve Board, but the request was concurred in by the Treasury officials.

Mr. TYDINGS. Let me ask the Senator who appeared for the Federal Reserve Board. Mr. Eccles appeared, I suppose; did he?

Mr. O'MAHONEY. Mr. Eccles did not appear. As I explained at the outset, when the Senator probably was not on the floor—

Mr. TYDINGS. No; I was not then on the floor.

Mr. O'MAHONEY. A special legislative committee is set up in the Government, consisting of representatives of the Department of Justice, the Bureau of the Budget, and the Office for Emergency Management, which is a clearing house for all these various agencies. All bureaus and departments of the Government which felt that there should be changes of law in order to facilitate the conduct of the war were requested to submit their recommendations to this clearing-house committee.

Mr. TYDINGS. I understand.

Mr. O'MAHONEY. Then the matter having been thereby reviewed, it was submitted to the Attorney General; and the Attorney General submitted a report to the Committee on the Judiciary, in which report each of these matters was at length discussed. So in every instance what the committee has brought in represents the request of the proper department and the concurrence in view upon the part of the committee.

Mr. TYDINGS. Of course, I can appreciate, as does the Senator from Wyoming, that there has to be a safety valve so that the continuous financing of the war will always be possible, no matter how long it may last or how much it may cost. I think this power may be very judiciously used, and I express the hope and belief that it will be so used. However, it seems to me to be about the widest power we have yet given because, if the war should last 2 or 3 years, at the present rate of expenditure there would be, after



we reach a certain point, absolutely nothing back of the notes except the faith and credit of the Government.

Mr. O'MAHONEY. Mr. President, I think it is only fair to say that, in the first place, the power of the Federal Reserve Board to purchase the securities of the United States in the open market today is without limit; there can be no question about that. Furthermore, when the Federal Reserve Act was passed, in the first instance, the Federal Reserve System had the authority to buy obligations directly. The limitation was not put on until 1935. So, in effect, what we are doing now is restoring the power which previously existed. Perhaps I should add that originally the power extended only to direct obligations, and now it includes indirect obligations.

Mr. TYDINGS. I suppose that the words "in the open market" had to be limited—

Mr. O'MAHONEY. That is correct.

Mr. TYDINGS. For the obvious reason that the public might not be able to buy the bonds as fast as the Government might need money.

Mr. O'MAHONEY. The Senator is quite correct.

Mr. TYDINGS. In which case there would be a hiatus in the financing, and the Government would need a stop-gap to cover the situation.

Mr. O'MAHONEY. With his usual grasp of the situation, the Senator from Maryland is entirely correct in his understanding of it.

Mr. TYDINGS. I appreciate the Senator's good will and his courtesy, but I do not happen to have expert knowledge of financial matters. However, I suppose that is the best provision which could be adopted.

I should prefer to have seen compulsory buying of bonds by the banks, rather than to have had such an indirect way of controlling purchasing, my fear being that when we do that we are getting away from the money standard and are getting into the note standard on both sides of the transaction. I am somewhat at a loss to understand why our financial advisers could not set up something better than a wide-open "I will give you my note if you will give me your note" system, and have back of the transactions no money, as there must be when one buys potatoes or beef.

Mr. O'MAHONEY. Mr. President, as a matter of fact, this provision actually stands between the Government and the adoption of fiscal policies which some Members of the Senate and of the House regard as utterly unsound.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSON of Colorado. Mr. President, a short while ago the Senator from Washington [Mr. BONE] embarrassed all historians in the Senate Chamber by asking a question about the postal regulations in effect during the Civil War.

I desire to read section 7 of chapter 9 of the regulations contained in the law passed in 1861, as follows:

*Be it further enacted*, That all letters written by soldiers in the service of the United States may be transmitted through the mails without prepayment of postage, under

such regulations as the Post Office Department may prescribe, the postage thereon to be paid by the recipients.

The PRESIDING OFFICER. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 2208) was ordered to be engrossed for a third reading, was read the third time, and passed.

#### SUPPLEMENTAL DEFENSE APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 6448, Calendar No. 1029.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6448) making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

The bill is as follows:

*Be it enacted, etc.*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, namely:

#### TITLE I—WAR DEPARTMENT MILITARY ACTIVITIES

SEC. 101. For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943, to be supplemental to, and merged with, the appropriations under the same heads in the Military Appropriation Act, 1942, including the objects and subject to the limitations and conditions specified under those heads, respectively, in such act, as follows:

##### OFFICE OF THE SECRETARY OF WAR

Expediting production: For expediting production of equipment and supplies for national defense, \$933,000,000: *Provided*, That the third proviso under the head "Expediting Production" in the Military Appropriation Act, 1942, as amended by the act of July 16, 1941 (Public Law 179, 77th Cong.), is repealed and shall not apply to any unexpended balances under this head nor to the funds herein appropriated.

##### SIGNAL CORPS

Signal Service of the Army: For Signal Service of the Army, \$680,242,180.

##### AIR CORPS

Air Corps, Army: For Air Corps, Army, \$9,041,373,080.

##### ORDNANCE DEPARTMENT

Ordnance Service and Supplies, Army: For Ordnance Service and Supplies, Army, \$1,547,948,529.

##### CHEMICAL WARFARE SERVICE

Chemical Warfare Service, Army: For Chemical Warfare Service, Army, \$323,308,675.

##### DEFENSE AID

SEC. 102. Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary of War to sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to the government of

any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated in this title, in accordance with the provisions of the act of March 11, 1941 (Public Law 11): *Provided*, That the total value of articles disposed of under this authority shall not exceed \$4,000,000,000.

SEC. 103. This title may be cited as "Title IV, Military Appropriation Act, 1942."

#### TITLE II—GENERAL APPROPRIATIONS INDEPENDENT AGENCIES

##### TENNESSEE VALLEY AUTHORITY

Tennessee Valley Authority Fund: For an additional amount for the Tennessee Valley Authority fund, fiscal year 1942, for (1) the construction of a hydroelectric project on the French Broad River near Dandridge, Tenn., (2) the purchase or building of transmission facilities needed to connect this project to the existing transmission system of the Authority, and (3) the acquisition of land necessary for and the relocation of highways in connection with the accomplishment of the above project; \$30,000,000, to be available for the administrative objects of expenditure and subject to the conditions specified under this heading in the Independent Offices Appropriations Act, 1942.

##### DEPARTMENT OF STATE

Transportation, Foreign Service: For an additional amount for Transportation, Foreign Service, fiscal year 1942, including the objects specified under this head in the Department of State Appropriation Act, 1942, \$800,000.

#### TITLE III—GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. This act may be cited as the "Fourth Supplemental National Defense Appropriation Act, 1942."

Mr. McKELLAR. Mr. President, the bill now under consideration has been reported by the Committee on Appropriations exactly as the House passed it. The House passed the bill providing appropriations in the sum of \$12,556,672,474, and it is composed of three general items. The first is under the heading "War Department, military activities," \$12,525,872,474 for airplanes. That item is for the purpose of carrying out the program with reference to airplanes, and perhaps I cannot better express it than as it was expressed by General Arnold, who gave a very short and succinct account of what is proposed to be done.

The report of the committee states:

The amount included in the bill for the Military Establishment is \$12,525,872,474, which is also the Budget estimate, and is available exclusively for the airplane pro-



gram, including procurement of airplanes, facilities for production, communications and signaling equipment, armor, armament, and ammunition and other devices for their operation in combat or in training.

It is further stated:

The funds contemplate the procurement of 33,000 completed airplanes, of which 23,000 are tactical—

Or, in other words, are to be used in warfare—

and 10,000 are training types.

I now come to the statement of General Arnold in regard thereto:

The estimates before you, amounting to \$12,525,872,474, represent a rounded procurement program of approximately 33,000 airplanes, their armament, equipment, related munitions, and the necessary funds for facilities to permit accomplishment of the program within the time limits desired.

Former airplane procurement programs have authorized numbers in excess of those necessary to implement the second aviation objective or 84-group program. The present airplane program had its inception before December 7, 1941, and was designed to continue without interruption aircraft manufacture at present levels of production. Immediately after December 7, however, the heavy-bomber program was increased to raise production of that type of aircraft to a level of 1,000 per month, and to provide the facilities necessary to accomplish this objective.

While the program in its inception was purely to continue production, and provided aircraft over and above the tactical needs of the Air Force, the declaration of war has caused profound changes in our productive as well as in our tactical objectives. Plans for the expansion of the Air Corps now under study indicate that by the time the aircraft in this program are delivered, a large portion of these planes will be required to equip tactical units in our air forces. In fact, in some types they may not meet our requirements.

The object of the program is to continue present production levels of aircraft until June 30, 1943, for training airplanes; through December 31, 1943, for tactical airplanes (except heavy bombers); through June 30, 1944, for heavy bombers; and to increase the level of production of heavy bombers to 1,000 per month after June 30, 1944.

The program includes airplanes, and the related spare parts, spare engines, weapons, equipment, and munitions. In order to increase the heavy-bomber production and in order to keep the munitions program in step with the delivery of planes, additional facilities are required for manufacture of airplanes, subassemblies, raw materials, and munitions.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes I yield to the Senator from Connecticut.

Mr. DANAHER. I am sure the Senator will be able to help me understand that statement. If he will look at section 101 of the pending bill he will observe, according to lines 9 and 10 on page 1 and line 1 on page 2, that the amounts are to remain available until June 30, 1943. There is no corresponding language in lines 7 to 20, inclusive, on page 2, which include the airplane program to which the Senator has just referred. Will the Senator please reconcile those two statements?

Mr. McKELLAR. Where is the Senator reading?

Mr. DANAHER. Section 101 starts at the bottom of the first page. Now go over to page 2, lines 7 to 20. There is no corresponding language in lines 7 to

20 making the amounts available through 1943. I have no doubt there is a reasonable explanation for the omission; and, if the Senator will make it, I shall be thankful.

Mr. McKELLAR. Mr. President, the first paragraph is the key paragraph, and all these things follow it. That is provided for in the language which the Senator finds on pages 1 and 2 of the bill:

Sec. 101. For additional amounts for the Military Establishment, fiscal year 1942, to remain available until June 30, 1943.

That takes in all of them.

Mr. DANAHER. So it covers all the items?

Mr. McKELLAR. It covers all the items.

Mr. DANAHER. I thank the Senator.

Mr. McKELLAR. I thank the Senator from Connecticut for calling attention to it.

I continue reading the statement of General Arnold:

This program does not take into consideration, except for heavy bombers, the speed-up in industry which may be obtained by use of the 7-day week and 24-hour day. This speed-up is being carefully studied, and when plans are entirely coordinated, an additional program will be submitted for the number of planes necessary to implement it.

The program is the result of extensive planning and coordination with the Office of Production Management. The program accomplishes the objects sought of maintaining airplane production. It can be accomplished by the industry, and funds are needed immediately in order that industry may be continued at these levels without a break which, if funds were not now appropriated, would occur sometime in August 1942.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. In a moment I will yield. The Senate committee were of the opinion, and so were the House committee, and so were the House of Representatives, that bombers were the most important part of our program in this war, and that it was absolutely necessary to continue that program; and this amount has been provided exactly as asked by our Army authorities.

I now yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I served on the committee with the Senator from Tennessee, and support what he has just said. What I rose to ask him was about something which was not brought out in the committee. Does the Senator know how much, up to this time, including this sum, we have appropriated for the Army air force during the past 2 years?

Mr. McKELLAR. I cannot say off-hand.

Mr. TYDINGS. Can the Senator give us an approximation of the amount?

Mr. McKELLAR. My recollection is that the appropriation last year was about \$5,000,000,000.

Mr. TYDINGS. So that, with this \$9,000,000,000, the total is \$14,000,000,000?

Mr. McKELLAR. Yes; that is correct.

Mr. TYDINGS. I will not ask the Senator how many planes have been provided.

Mr. McKELLAR. This particular appropriation provides for 33,000 planes.

of which 23,000 will be planes used in warfare.

Mr. TYDINGS. What I was wondering was, how many planes the preceding appropriations would produce.

Mr. McKELLAR. It is difficult to say. As a matter of fact, I think there was a larger percentage of training planes in the preceding appropriation than is contemplated in this appropriation.

Mr. TYDINGS. As I recall, in the first appropriation a great deal of the money went for training planes, and some of this money will go for that purpose; but as we proceed further with the program, the number of training planes diminishes in proportion to the number of bombers or fighting planes.

Mr. McKELLAR. That is my understanding.

Mr. TYDINGS. The chart which was before our committee, I believe, showed that to be the case.

Mr. McKELLAR. Yes.

Mr. President, I do not see how there really can be any difference of opinion about the passage of this bill. It seems to me that probably all the Senators would be willing to vote this amount as requested by the Army. There are only two other items in the bill, and they are comparatively very small. One is an item of \$30,000,000 for a dam known as the Douglas Dam. This is the statement made by our committee on the subject:

Our country is now at war, and, notwithstanding previous opposition to this project, the committee feel that, inasmuch as the President has again requested the construction of this dam in the name of national defense, it should grant this repeated request of the President.

As we all know, both Houses of Congress have twice turned down, practically unanimously, the building of this dam; and yet, after war was declared, the President asked for it a third time, and out of abundance of caution the committee has reported it.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Maryland.

Mr. TYDINGS. Am I correct in my recollection that a portion of the \$9,000,000,000 for the Army Air Corps is to go for plants and machinery necessary for the manufacture of planes?

Mr. McKELLAR. No; the whole amount.

Mr. TYDINGS. I mean of the \$9,000,000,000.

Mr. McKELLAR. Not of the \$9,000,000,000.

Mr. TYDINGS. If that sum is to be used to build 33,000 planes, the average cost is less than \$270,000 a plane.

Mr. McKELLAR. I have not figured it out, but I accept the Senator's figures.

Mr. TYDINGS. While, of course, no one is going to question how much a plane costs, because we need them very badly, it is true that as we go into the mass-production schedule, the cost of individual planes should be materially reduced. As I recall, the cost of a medium bomber sometime ago was about \$125,000, so that if all this money were used for medium or smaller bombers, it would

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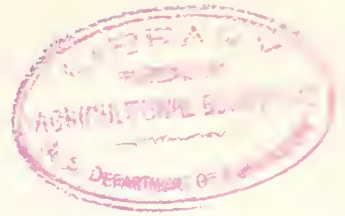






77TH CONGRESS  
2D SESSION

# S. 2208



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IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 1942

Referred to the Committee on the Judiciary

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## AN ACT

To further expedite the prosecution of the war.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—EMERGENCY POWERS OF THE INTER-  
4 STATE COMMERCE COMMISSION OVER MOTOR  
5 CARRIERS

6 SEC. 101. Section 204 of the act of August 9, 1935  
7 (49 Stat. 543), otherwise known as the Motor Carrier  
8 Act, 1935, as amended, is hereby amended by adding  
9 after subsection (d) thereof the following:

10 “(e) The Commission shall have authority with respect  
11 to motor carriers, to be exercised under similar circumstances

1 and procedure, equivalent to the authority it has with re-  
2 spect to other carriers under section 1 (15) of part I, and  
3 shall have authority, to the extent necessary to facilitate the  
4 prosecution of the war and not in contravention of State  
5 laws and regulations with respect to sizes and weights of  
6 motor vehicles, to make reasonable directions with respect  
7 to equipment, service, and facilities of motor carriers,  
8 and to require the joint use of equipment, terminals, ware-  
9 houses, garages, and other facilities; and motor carriers  
10 shall be subject to the same penalties for failure to comply  
11 with action taken by the Commission under this paragraph  
12 as other carriers for failure to comply with action taken by  
13 the Commission under section 1 (15) of part I.

14 “(f) Notwithstanding any other applicable provision of  
15 this Act, to the extent that it may be in the public interest,  
16 the Commission may modify, change, suspend or waive  
17 any order, certificate, permit, license, rule, or regulation  
18 issued under this part.”

19 SEC. 102. Subsection (a) of section 210a of said Act is  
20 hereby amended by striking out the words “but for not more  
21 than an aggregate of one hundred and eighty days”.

22 SEC. 103. Subsection (a) of section 311 of said Act  
23 is hereby amended by striking out the words “but not for  
24 more than an aggregate of one hundred and eighty days”.

## 1        TITLE II—ACQUISITION OF PROPERTY

2        SEC. 201. The Act of July 2, 1917 (40 Stat. 241),  
3        entitled “An Act to authorize condemnation proceedings of  
4        lands for military purposes”, as amended, is hereby amended  
5        by adding at the end thereof the following section:

6        “SEC. 2. The Secretary of War, the Secretary of the  
7        Navy, or any other officer, board, commission, or govern-  
8        mental corporation thereto authorized by the President, may  
9        acquire by purchase, donation, or other means of transfer,  
10       or may cause proceedings to be instituted in any court hav-  
11       ing jurisdiction of such proceedings, to acquire by condemna-  
12       tion, any real property, temporary use thereof, or other  
13       interest therein, together with any personal property located  
14       thereon or used therewith, that shall be deemed necessary,  
15       for military, naval, or other war purposes, such proceedings  
16       to be in accordance with the Act of August 1, 1888 (25  
17       Stat. 357), and any other applicable Federal statute, and  
18       may dispose of such property or interest therein by sale,  
19       lease, or otherwise, in accordance with section 1 (b) of the  
20       Act of July 2, 1940 (54 Stat. 712). Upon or after the  
21       filing of the condemnation petition, immediate possession may  
22       be taken and the property may be occupied, used, and  
23       improved for the purposes of this Act, notwithstanding any  
24       other law. Property acquired by purchase, donation, or



1 other means of transfer may be occupied, used, and improved,  
2 for the purposes of this section prior to the approval of title  
3 by the Attorney General as required by section 355 of the  
4 Revised Statutes, as amended.”

5 TITLE III—PRIORITIES POWERS

6 SEC. 301. Subsection (a) of section (2) of the Act  
7 of June 28, 1940 (54 Stat. 676), entitled “An Act to  
8 expedite national defense, and for other purposes”, as  
9 amended by the Act of May 31, 1941 (55 Stat. 236), is  
10 amended as follows:

11 (a) In paragraph (1) of said subsection (a), strike  
12 out the words “this section” and the words “this subsec-  
13 tion” wherever they appear, and substitute the words “this  
14 paragraph”.

15 (b) Strike out paragraph (2) of said subsection and  
16 substitute a new paragraph (2) and add paragraphs (3)  
17 to (8), as follows:

18 “(2) Deliveries of material to which priority may be  
19 assigned pursuant to paragraph (1) shall include, in addi-  
20 tion to deliveries of material under contracts or orders of  
21 the Army or Navy, deliveries of material under—

22 “(A) Contracts or orders for the government of  
23 any country whose defense the President deems vital  
24 to the defense of the United States under the terms of

1 the Act of March 11, 1941, entitled 'An Act to pro-  
2 mote the defense of the United States';

3 “(B) Contracts or orders which the President shall  
4 deem necessary or appropriate to promote the defense  
5 of the United States:

6 “(C) Subcontracts or suborders which the Presi-  
7 dent shall deem necessary or appropriate to the fulfill-  
8 ment of any contract or order as specified in this sub-  
9 section. Deliveries under any contract or order specified  
10 in this subsection may be assigned priority over deliv-  
11 eries under any other contract or order; and the Presi-  
12 dent may require acceptance of and performance under  
13 such contracts or orders in preference to other contracts  
14 or orders for the purpose of assuring such priority.  
15 Whenever the President is satisfied that the fulfillment  
16 of requirements for the defense of the United States will  
17 result in a shortage in the supply of any material or of  
18 any facilities for defense or for private account or for  
19 export, the President may allocate such material or  
20 facilities in such manner, upon such conditions and to  
21 such extent as he shall deem necessary or appropriate  
22 in the public interest and to promote the national  
23 defense.

24 “(3) The President shall be entitled to obtain such in-

1 formation from, require such reports and the keeping of such  
2 records by, make such inspection of the books, records, and  
3 other writings, premises or property of, any person (which,  
4 for the purpose of this subsection, shall include any individual,  
5 partnership, association, business trust, corporation, or any  
6 organized group of persons, whether incorporated or not),  
7 and make such investigations, as may be necessary or ap-  
8 propriate, in his discretion, to the enforcement or administra-  
9 tion of the provisions of this subsection.

10 “(4) For the purpose of obtaining any information,  
11 verifying any report required, or making any investigation  
12 pursuant to paragraph (3), the provisions of sections 9  
13 and 10 of the Act of September 26, 1914 (38 Stat. 722),  
14 are hereby made applicable to the jurisdiction, powers, and  
15 duties of the President.

16 “(5) Any person who willfully performs any act pro-  
17 hibited, or willfully fails to perform any act required by, any  
18 provision of this subsection or any rule, regulation, or order  
19 hereunder, whether heretofore or hereafter issued, shall be  
20 guilty of a misdemeanor, and shall, upon conviction, be fined  
21 not more than \$10,000 or imprisoned for not more than one  
22 year, or both.

23 “(6) The district courts of the United States and the  
24 United States courts of any Territory or other place subject  
25 to the jurisdiction of the United States and the courts of the



1 Philippine Islands shall have jurisdiction of violations of this  
2 subsection or any rule, regulation, or order or subpoena here-  
3 under, whether heretofore or hereafter issued, and of all civil  
4 actions under this subsection to enforce any liability or duty  
5 created by, or to enjoin any violation of, this sub-  
6 section or any rule, regulation, order, or subpoena here-  
7 under whether heretofore or hereafter issued. Any crim-  
8 inal proceeding on account of any such violation may be  
9 brought in any district in which any act, failure to act, or  
10 transaction constituting the violation occurred. Any such  
11 civil action may be brought in any such district or in the  
12 district in which the defendant resides or transacts business.  
13 Process in such cases, criminal or civil, may be served in any  
14 district wherein the defendant resides or transacts business  
15 or wherever the defendant may be found; and subpoena for  
16 witnesses who are required to attend a court in any district  
17 in any such case may run into any other district. No costs  
18 shall be assessed against the United States in any proceeding  
19 under this subsection.

20 “(7) No person shall be held liable for damages or  
21 penalties for any default under any contract or order which  
22 shall result directly or indirectly from his compliance with  
23 this subsection or any rule, regulation, or order issued here-  
24 under, notwithstanding that any such rule, regulation, or

1 order shall thereafter be declared by judicial or other com-  
2 petent authority to be invalid.

3 “(8) The President may exercise any power, authority,  
4 or discretion conferred on him by this subsection, through  
5 such department, agency, or officer of the Government as he  
6 may direct and in conformity with any rules or regulations  
7 which he may prescribe.”

8 TITLE IV—PURCHASE BY FEDERAL RESERVE  
9 BANKS OF GOVERNMENT OBLIGATIONS

10 SEC. 401. Subsection (b) of section 14 of the Act  
11 of December 23, 1913 (38 Stat. 265), otherwise known  
12 as the Federal Reserve Act, as amended, is hereby amended  
13 by striking out of the proviso the words “but only  
14 in the open market”, so that the proviso will read as follows:  
15 “*Provided*, That any bonds, notes, or other obligations  
16 which are direct obligations of the United States or which  
17 are fully guaranteed by the United States as to principal and  
18 interest may be bought and sold without regard to maturities.”

19 TITLE V—WAIVER OF NAVIGATION AND  
20 INSPECTION LAWS

21 SEC. 501. During the national emergency declared by the  
22 President on May 27, 1941, to exist, for the purpose of  
23 securing the most expeditious transportation consistent with  
24 safety of men and materials that are necessary to national  
25 defense and to reduce delays in water borne transportation,

1 provide quicker turn arounds, expedite deliveries, and help  
2 to prevent shortages in defense or critical materials, and,  
3 when in the opinion of the Secretary of Commerce there is  
4 no other reasonable recourse, the Secretary of Commerce is  
5 authorized, upon written recommendation of the Secretary  
6 of the Navy, and of the Secretary of War, and of the Secretary  
7 of the Treasury and of the Secretary of Labor, and of the  
8 Chairman, United States Maritime Commission, or any three  
9 of the above named officials, to waive compliance with the  
10 navigation and vessel inspection laws of the United States,  
11 except laws requiring the division of crews of vessels of the  
12 United States into watches, or limiting the hours of labor of  
13 seamen on such vessels, but only to such extent and in such  
14 manner and upon such terms as he may find after investiga-  
15 tion to be necessary or proper for the national defense: *Pro-*  
16 *vided, however,* That the Secretary of Commerce shall not  
17 waive compliance with any of such laws to such an extent as  
18 will permit the navigation of any vessel in an unsafe condi-  
19 tion, nor with the coastwise laws of the United States where  
20 the service desired can be supplied promptly by American  
21 ships: *Provided further,* That in the exercise of authority  
22 granted by this Act, the Secretary of Commerce shall waive  
23 compliance with any of such laws only by specific rulings for  
24 specific occasions, and shall in each case specifically state  
25 the particular laws with which compliance is waived and the



1 reasons therefor: *And provided further*, That during the  
2 effective period of this Act the Secretary of Commerce shall,  
3 at the convening of each session of Congress, and monthly  
4 while the Congress is in session, report to the Congress every  
5 action taken by him under authority of this Act.

## 6 TITLE VI—POWER TO REQUISITION

7 SEC. 601. The last paragraph of section 1 of the Act of  
8 October 16, 1941 (55 Stat. 742), entitled "An Act to  
9 authorize the President of the United States to requisition  
10 property required for the defense of the United States", is  
11 amended by deleting subdivision (3) thereof, so that the  
12 paragraph will read as follows:

13 "Nothing contained in this Act shall be construed—

14 "(1) to authorize the requisitioning or require the  
15 registration of any firearms possessed by an individual for  
16 his personal protection or sport (and the possession of  
17 which is not prohibited or the registration of which is not  
18 required by existing law),

19 "(2) to impair or infringe in any manner the right of  
20 any individual to keep and bear arms."

## 21 TITLE VII—POLITICAL ACTIVITY

22 SEC. 701. Subsection (a) of section 9 of the Act of  
23 August 2, 1939 (53 Stat. 1148), entitled "An Act to  
24 prevent pernicious political activities", is hereby amended  
25 by adding in the second sentence after the word "thereof"

1 the words "except a part-time officer or part-time employee  
2 without compensation or with nominal compensation serving  
3 in connection with the existing war effort, other than as a  
4 member of a Selective Service and Training Board, or other  
5 than in any capacity relating to the procurement or manu-  
6 facture of war material".

7 TITLE VIII—COMPENSATION FOR CERTAIN  
8 CIVILIAN DEFENSE WORKERS

9 SEC. 801. Section 40 of the Act of September 7, 1916  
10 (39 Stat. 750), entitled "An Act to provide compensation  
11 for employees of the United States suffering injuries while in  
12 the performance of their duties, and for other purposes", as  
13 amended, is hereby amended by adding the following para-  
14 graph at the end thereof:

15 "The term 'employee' also includes any person in the  
16 protective services engaged in civilian defense, who has been  
17 duly appointed as such by an officer or agent of the United  
18 States acting under lawful authority. In the event that any  
19 such person renders his services on a voluntary basis or for  
20 compensation amounting to less than \$100 per month, for  
21 the purposes of computing the amount of compensation for  
22 death or disability, he shall be regarded as having received  
23 compensation for his services at the rate of \$100 per month:  
24 *Provided*, That no compensation shall be paid in respect to  
25 the death or disability of any such person in any case coming

1 within the purview of the workmen's compensation law of  
2 any State, Territory, or possession, or in which the claimant  
3 has received, or is entitled to receive similar benefits for in-  
4 jury or death: *Provided further*, That the Commission may  
5 establish new and utilize its existing regional offices, utilize  
6 the personnel and facilities of other governmental agencies,  
7 and delegate thereto such authority as may be necessary, for  
8 carrying out the provisions of this paragraph."

9 TITLE IX—PROTECTION OF WAR INDUSTRIES  
10 SUBJECT TO SEASONAL HAZARDS OF FOR-  
11 EST FIRES

12 SEC. 901. The President is empowered to direct the Ad-  
13 ministrator of the Federal Security Agency to assign the  
14 manpower of the Civilian Conservation Corps to the extent  
15 necessary to protect the munitions, aircraft, and other war  
16 industries, municipal water supply, power and other utilities  
17 and resources subject to the hazards of forest fires.

18 TITLE X—FREE POSTAGE FOR SOLDIERS,  
19 SAILORS, AND MARINES

20 SEC. 1001. Any first-class letter mail matter admissible  
21 to the mails as ordinary mail matter which is sent by a mem-  
22 ber of the military or naval forces of the United States (in-  
23 cluding the United States Coast Guard), while on active duty  
24 or in the active military or naval service of the United States,  
25 to any person in the United States, including the Territories



1 and possessions thereof, shall be transmitted in the mails free  
2 of postage, subject to such rules and regulations as the Post-  
3 master General shall prescribe.

4 TITLE XI—NATURALIZATION OF PERSONS SERV-  
5 ING IN THE ARMED FORCES OF THE UNITED  
6 STATES DURING THE PRESENT WAR

7 SEC. 1101. The Act of October 14, 1940 (54 Stat.  
8 1137), entitled "An Act to revise and codify the nationality  
9 laws of the United States into a comprehensive nationality  
10 code", is hereby amended by adding thereto a new title as  
11 follows:

12 "TITLE III

13 "SEC. 701. Notwithstanding the provisions of sections  
14 303 and 326 of this Act, any person not a citizen, regard-  
15 less of age, who has served or hereafter serves honorably  
16 in the military or naval forces of the United States during  
17 the present war may be naturalized upon compliance with  
18 all the requirements of the naturalization laws except  
19 that (1) no declaration of intention and no certificate  
20 of arrival and no period of residence within the United  
21 States or any State shall be required; (2) the petition for  
22 naturalization may be filed in any court having naturaliza-  
23 tion jurisdiction regardless of the residence of the petitioner;  
24 (3) the petitioner shall not be required to speak the English  
25 language, sign his petition in his own handwriting, or meet

1 any educational test; and (4) no fee shall be charged or  
2 collected for making, filing, or docketing the petition for  
3 naturalization, or for the final hearing thereon, or for the  
4 certification of naturalization, if issued: *Provided, however,*  
5 That (1) there shall be included in the petition the affi-  
6 davits of at least two credible witnesses, citizens of the  
7 United States, stating that each such witness personally  
8 knows the petitioner to be a person of good moral character,  
9 attached to the principles of the Constitution of the United  
10 States, and well disposed to the good order and happiness of  
11 the United States, (2) the service of the petitioner in the  
12 military or naval forces of the United States shall be proved  
13 by affidavits, forming part of the petition, of at least two citi-  
14 zens of the United States, members or former members during  
15 the present war of the military or naval forces of the non-  
16 commissioned or warrant officer grade or higher (who may  
17 be the witnesses described in clause (1) of this proviso),  
18 or by a duly authenticated copy of the record of the execu-  
19 tive department having custody of the record of petitioner's  
20 service, showing that the petitioner is or was during the  
21 present war a member serving honorably in such armed  
22 forces, and (3) the petition shall be filed not later than one  
23 year after the termination of the effective period of this Act  
24 as provided in title XV. The petitioner may be naturalized  
25 immediately if prior to the filing of the petition the petitioner

1 and the witnesses required by the foregoing proviso shall have  
2 appeared before and been examined by a representative of  
3 the Immigration and Naturalization Service.

4 "SEC. 702. During the present war, any person entitled  
5 to naturalization under section 701 of this Act, who while  
6 serving honorably in the military or naval forces of the United  
7 States is not within the jurisdiction of any court authorized  
8 to naturalize aliens, may be naturalized in accordance with  
9 all the applicable provisions of section 701 without appearing  
10 before a naturalization court. The petition for naturalization  
11 of any petitioner under this section shall be made and sworn  
12 to before, and filed with, a representative of the Immigration  
13 and Naturalization Service designated by the Commissioner  
14 or a Deputy Commissioner, which designated representative  
15 is hereby authorized to receive such petition in behalf of the  
16 Service, to conduct hearings thereon, to take testimony con-  
17 cerning any matter touching or in any way affecting the ad-  
18 missibility of any such petitioner for naturalization, to call  
19 witnesses, to administer oaths, including the oath of the peti-  
20 tioner and his witnesses to the petition for naturalization and  
21 the oath of renunciation and allegiance prescribed by section  
22 335 of this Act, and to grant naturalization, and to issue  
23 certificates of citizenship: *Provided*, That the record of any  
24 proceedings hereunder together with a copy of the certificate  
25 of citizenship shall be forwarded to and filed by the clerk of



1 a naturalization court in the district in which the petitioner  
2 is a resident and be made a part of the record of the court.

3 "SEC. 703. The ninety days' notice required by subsec-  
4 tion (b) of section 326 of this Act to be given by the clerk  
5 of the naturalization court to the Commissioner may be  
6 waived by the Commissioner in his discretion. In any peti-  
7 tion in which such notice is waived the Commissioner shall  
8 cause the clerk of court to be notified to that effect.

9 "SEC. 704. The provisions of this title shall not apply  
10 to (1) any person who during the present war is dishonor-  
11 ably discharged from the military or naval forces or is dis-  
12 charged therefrom on account of his alienage, or (2) any con-  
13 scientious objector who performed no military duty whatever  
14 or refused to wear the uniform: *Provided*, That citizenship  
15 granted pursuant to this title may be revoked as to any  
16 person subsequently dishonorably discharged from the mili-  
17 tary or naval forces in accordance with Section 338 of this  
18 Act.

19 "SEC. 705. The Commissioner, with the approval of the  
20 Attorney General, shall prescribe and furnish such forms,  
21 and shall make such rules and regulations, as may be neces-  
22 sary to carry into effect the provisions of this Act.

23 "SEC. 706. This title shall take effect from the date of  
24 its approval."

1 TITLE XII—ACCEPTANCE OF CONDITIONAL  
2 GIFTS TO FURTHER THE WAR PROGRAM

3 SEC. 1201. To further the war program of the United  
4 States, the Secretary of the Treasury is authorized to accept  
5 or reject on behalf of the United States any gift of money or  
6 other property, real or personal, or services, made on con-  
7 dition that it be used for a particular war purpose.

8 SEC. 1202. The Secretary of the Treasury may convert  
9 into money, at the best terms available, any such gift of  
10 property other than money.

11 SEC. 1203. There shall be established on the books of  
12 the Treasury a special deposit account to be designated as  
13 the "War Contributions Fund", into which shall be deposited  
14 all money received as a result of such gifts.

15 SEC. 1204. The Secretary of the Treasury, in order to  
16 effectuate the purposes for which gifts accepted under this  
17 Act are made, shall from time to time allocate the money in  
18 such special deposit account to such of the various appropria-  
19 tions available for the purchase of war material and the fur-  
20 therance of the war program of the United States as in his  
21 judgment will best effectuate the intent of the donors, and  
22 such money is hereby appropriated and shall be available for  
23 expenditure for the purposes of the appropriations to which  
24 allocated.

1        SEC. 1205. The Secretary of the Treasury shall include  
2 in his Annual Report to the Congress a summary of the gifts  
3 made and accepted under this Act.

4        SEC. 1206. Whoever shall solicit any gift of money or  
5 other property, and represent that such gift is being solicited  
6 for the use of the United States, with the intention of embez-  
7 zling, stealing, or purloining such gift, or converting the  
8 same to any other use or purpose, or whoever, having  
9 come into possession of any money or property which has  
10 been donated by the owner thereof for the use of the United  
11 States, shall embezzle, steal, or purloin such money or prop-  
12 erty, or convert the same to any other use or purpose, shall  
13 be guilty of a felony and upon conviction thereof shall be  
14 fined not more than \$5,000 or imprisoned for not more than  
15 five years, or both.

16        TITLE XIII—COINAGE OF 5-CENT PIECES

17        SEC. 1301. Notwithstanding any other provision of law,  
18 the Director of the Mint shall cause the metallic content of all  
19 5-cent pieces coined after the effective date of this Act and  
20 prior to December 31, 1946, to be one-half silver and one-  
21 half copper: *Provided*, That the Director of the Mint, with  
22 the approval of the Secretary of the Treasury and the Chair-  
23 man of the War Production Board, is authorized to vary the  
24 proportions of silver and copper and to add other metals to a  
25 volume not to exceed 10 per centum of the total content



1 thereof, if such action would be in the public interest. Such  
2 5-cent pieces shall be deemed to be minor coins or coinage  
3 and not silver coins, subsidiary silver coins, silver coinage,  
4 or subsidiary silver coinage within the meaning of the mone-  
5 tary laws of the United States.

6 SEC. 1302. For the coinage of such 5-cent pieces the  
7 Secretary of the Treasury is hereby authorized to allocate to  
8 the Director of the Mint, at such times and in such amounts  
9 as the Secretary deems necessary, any silver bullion in the  
10 monetary stocks of the United States not then held for re-  
11 demption of any outstanding silver certificates. Silver so allo-  
12 cated shall be accounted for by entries in the fund established  
13 for the purchase of metal for minor coinage: *Provided*, That  
14 the value of any silver bullion accounted for in said fund  
15 shall not be considered for the purpose of determining the  
16 statutory limit of said fund: *Provided further*, That the gain  
17 from the minor coinage provided for by this title shall be  
18 accounted for by entries in the minor coinage profit fund.

19 SEC. 1303. No silver-copper ingots shall be used for the  
20 minor coinage provided for by this title which differ from  
21 the legal standard by more than ten-thousandths. In adjust-  
22 ing the weight of such minor coins there shall be no greater  
23 deviation allowed than four grains for each piece.

24 SEC. 1304. For the purpose of section 3529 of the  
25 Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent

1 pieces provided for by this title shall be deemed to be copper.

2       SEC. 1305. Upon redemption any 5-cent pieces coined  
3 in accordance with the provisions of this title shall after  
4 December 31, 1946, be allocated to the Director of the Mint  
5 for melting and for subsidiary silver coinage. Any 5-cent  
6 pieces coined in accordance with the provisions of this title  
7 but not issued by the Mint may after December 31, 1946, be  
8 allocated, in such amounts and at such times as the Secretary  
9 of the Treasury in his discretion may determine, to the Direc-  
10 tor of the Mint for melting and for subsidiary silver coinage.  
11 All 5-cent pieces allocated to the Director of the Mint in  
12 accordance with this section shall be accounted for by entries  
13 in the fund established for the purchase of silver bullion for  
14 subsidiary silver coinage. Upon coinage into subsidiary  
15 silver coins of the metal contained in the 5-cent pieces so  
16 allocated, the gain shall be accounted for by entries in the  
17 silver-profit fund.

18       SEC. 1306. This title shall become effective sixty days  
19 after approval.

20 TITLE XIV—INSPECTION AND AUDIT OF WAR  
21 CONTRACTORS

22       SEC. 1401. The provisions of section 10 (1) of an Act  
23 approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (1) )  
24 (giving the Government the right to inspect the plant and  
25 audit the books of certain Contractors), shall apply to the

1 plant and books of any contractor with whom a defense con-  
2 tract has been placed at any time after the declaration of  
3 emergency on September 8, 1939, and before the termination  
4 of the present war: *Provided*, That, for the purpose of this  
5 title, the term "defense contract" shall mean any contract,  
6 subcontract, or order placed in furtherance of the defense or  
7 war effort: *And provided further*, That the inspection and  
8 audit authorized herein, and the determination whether a  
9 given contract is a "defense contract" as defined above, shall  
10 be made by the agency placing such contract or order or the  
11 contract or order under which such subcontract was placed,  
12 or by the Chairman of the War Production Board.

13 SEC. 1402. The provisions of sections 9 and 10 of the  
14 Act of September 26, 1914 (38 Stat. 722), are hereby  
15 made applicable to the jurisdiction, powers, and duties  
16 of any agency or of the Chairman of the War Production  
17 Board acting hereunder. Any person who shall, without just  
18 cause, fail or refuse to attend or testify or to comply with any  
19 order or subpoena issued under this title, shall be guilty of a  
20 misdemeanor and upon conviction shall be subject to a fine  
21 of not less than \$1,000 nor more than \$5,000, or to impris-  
22 onment of not more than one year, or both.

23 TITLE XV—TIME LIMIT AND SHORT TITLE

24 SEC. 1501. Titles I to X, inclusive, and title XII of  
25 this Act shall remain in force only until December 31, 1944,



1 or until such earlier time as the Congress by concurrent  
2 resolution, or the President, may designate, but no court  
3 proceedings brought under any such title shall abate by  
4 reason of the termination hereunder of such title.

5 SEC. 1502. This Act may be cited as the "Second War  
6 Powers Act, 1942".

Passed the Senate January 28 (legislative day, January  
23), 1942.

Attest:

EDWIN A. HALSEY,

*Secretary.*



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## AN ACT

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To further expedite the prosecution of the war.

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JANUARY 29, 1912

Referred to the Committee on the Judiciary







[EXECUTIVE SESSION]

# SECOND WAR POWERS ACT, 1942

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## HEARINGS

BEFORE THE

## COMMITTEE ON THE JUDICIARY HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH CONGRESS

SECOND SESSION

ON

### S. 2208

AN ACT TO FURTHER EXPEDITE THE  
PROSECUTION OF THE WAR

---

JANUARY 30 AND FEBRUARY 2, 1942

---

Serial No. 10

Printed for the use of the Committee on the Judiciary



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1942



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HOUSE OF REPRESENTATIVES

SEVENTY-SEVENTH CONGRESS

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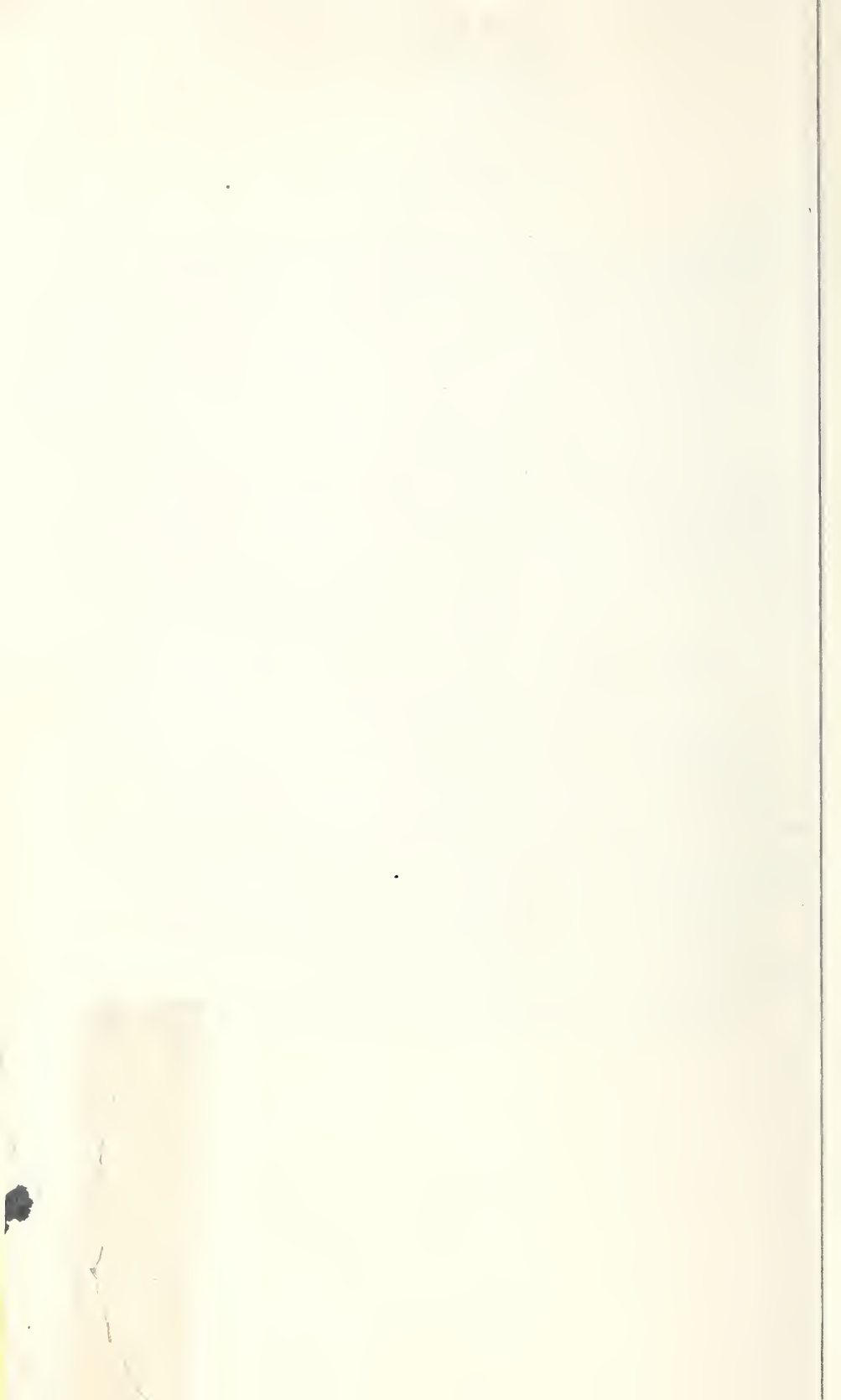
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# SECOND WAR POWERS ACT, 1942

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FRIDAY, JANUARY 30, 1942

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE JUDICIARY,  
Washington, D. C.

## EXECUTIVE SESSION

The subcommittee met, pursuant to call, at 10 a. m., the Honorable Charles F. McLaughlin (chairman) presiding.

Mr. McLAUGHLIN. Subcommittee No. 4 is convened for consideration of S. 2208, known as the Second War Powers Act. This bill has passed the Senate, and has been referred to the Judiciary Committee of the House.

(The subcommittee had under consideration S. 2208, which is as follows:)

[S. 2208, 77th Cong., 2d sess.]

AN ACT To further expedite the prosecution of the war

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### TITLE I—EMERGENCY POWERS IN THE INTERSTATE COMMERCE COMMISSION OVER MOTOR CARRIERS

SEC. 101. Section 204 of the act of August 9, 1935 (49 Stat. 543), otherwise known as the Motor Carrier Act, 1935, as amended, is hereby amended by adding after subsection (d) thereof the following:

“(e) The Commission shall have authority with respect to motor carriers, to be exercised under similar circumstances and procedure, equivalent to the authority it has with respect to other carriers under section 1 (15) of part I, and shall have authority, to the extent necessary to facilitate the prosecution of the war and not in contravention of State laws and regulations with respect to sizes and weights of motor vehicles, to make reasonable directions with respect to equipment, service, and facilities of motor carriers, and to require the joint use of equipment, terminals, warehouses, garages, and other facilities; and motor carriers shall be subject to the same penalties for failure to comply with action taken by the Commission under this paragraph as other carriers for failure to comply with action taken by the Commission under section 1 (15) of part I.

“(f) Notwithstanding any other applicable provision of this Act, to the extent that it may be in the public interest, the Commission may modify, change, suspend or waive any order, certificate, permit, license, rule, or regulation issued under this part.”

SEC. 102. Subsection (a) of section 210a of said Act is hereby amended by striking out the words “but for not more than an aggregate of one hundred and eighty days”.

SEC. 103. Subsection (a) of section 311 of said Act is hereby amended by striking out the words “but not for more than an aggregate of one hundred and eighty days”.

## TITLE II—ACQUISITION OF PROPERTY

SEC. 201. The Act of July 2, 1917 (40 Stat. 241), entitled "An Act to authorize condemnation proceedings of lands for military purposes," as amended, is hereby amended by adding at the end thereof the following section:

"SEC. 2. The Secretary of War, the Secretary of the Navy, or any other officer, board, commission, or governmental corporation thereto authorized by the President, may acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court having jurisdiction of such proceedings, to acquire by condemnation, any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that shall be deemed necessary, for military, naval, or other war purposes, such proceedings to be in accordance with the Act of August 1, 1888 (25 Stat. 357), and any other applicable Federal statute, and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the Act of July 2, 1940 (54 Stat. 712). Upon or after the filing of the condemnation petition, immediate possession may be taken and the property may be occupied, used, and improved for the purposes of this Act, notwithstanding any other law. Property acquired by purchase, donation, or other means of transfer may be occupied, used, and improved, for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended."

## TITLE III—PRIORITIES POWERS

SEC. 301. Subsection (a) of section (2) of the Act of June 28, 1940 (54 Stat. 676), entitled "An Act to expedite national defense, and for other purposes," as amended by the Act of May 31, 1941 (55 Stat. 236), is amended as follows:

(a) In paragraph (1) of said subsection (a), strike out the words "this section" and the words "this subsection" wherever they appear, and substitute the words "this paragraph."

(b) Strike out paragraph (2) of said subsection and substitute a new paragraph (2) and add paragraphs (3) to (8), as follows:

"(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

"(A) Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled 'An Act to promote the defense of the United States';

"(B) Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;

"(C) Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection. Deliveries under any contract or order specified in this subsection may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

"(3) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, any person (which, for the purpose of this subsection, shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not), and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this subsection.

"(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the provisions of sections 9 and 10 of the Act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of the President.

"(5) Any person who willfully performs any act prohibited, or willfully fails to perform any act required by, any provision of this subsection or any rule, regulation, or order hereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than one year, or both.

"(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection or any rule, regulation, or order or subpoena hereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection to enforce any liability or duty created by, or to enjoin any violation of, this subsection or any rule, regulation, order, or subpoena hereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoena for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection.

"(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from his compliance with this subsection or any rule, regulation, or order issued hereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

"(8) The President may exercise any power, authority, or discretion conferred on him by this subsection, through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe."

#### TITLE IV—PURCHASE BY FEDERAL RESERVE BANKS OF GOVERNMENT OBLIGATIONS

SEC. 401. Subsection (b) of section 14 of the Act of December 23, 1913 (38 Stat. 265), otherwise known as the Federal Reserve Act, as amended, is hereby amended by striking out of the proviso the words "but only in the open market," so that the proviso will read as follows: "*Provided*, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities."

#### TITLE V—WAIVER OF NAVIGATION AND INSPECTION LAWS

SEC. 501. During the national emergency declared by the President on May 27, 1941, to exist, for the purpose of securing the most expeditious transportation consistent with safety of men and materials that are necessary to national defense and to reduce delays in water-borne transportation, provide quicker turn-arounds, expedite deliveries, and help to prevent shortages in defense or critical materials, and, when in the opinion of the Secretary of Commerce there is no other reasonable recourse, the Secretary of Commerce is authorized, upon written recommendation of the Secretary of the Navy, and of the Secretary of War, and of the Secretary of the Treasury, and of the Secretary of Labor, and of the Chairman, United States Maritime Commission, or any three of the above-named officials, to waive compliance with the navigation and vessel inspection laws of the United States, except laws requiring the division of crews of vessels of the United States into watches, or limiting the hours of labor of seamen on such vessels, but only to such extent and in such manner and upon such terms as he may find after investigation to be necessary or proper for the national defense: *Provided, however*, That the Secretary of Commerce shall not waive compliance with any of such laws to such an extent as will permit the navigation of any vessel in an unsafe condition, nor with the coastwise laws of the United States where the service desired can be supplied promptly by American ships: *Provided further*, That in the exercise of authority granted by this Act, the Secretary of Commerce shall waive compliance with any of such laws only by specific rulings for specific occasions, and shall in each case specifically state the particular laws with which compliance is waived and the reasons therefor: *And provided further*, That during the effec-



tive period of this Act the Secretary of Commerce shall, at the convening of each session of Congress, and monthly while the Congress is in session, report to the Congress every action taken by him under authority of this act.

#### TITLE VI—POWER TO REQUISITION

SEC. 601. The last paragraph of section 1 of the Act of October 16, 1941 (55 Stat. 742), entitled "An Act to authorize the President of the United States to requisition property required for the defense of the United States," is amended by deleting subdivision (3) thereof, so that the paragraph will read as follows:

"Nothing contained in this Act shall be construed—

"(1) to authorize the requisitioning or require the registration of any firearms possessed by an individual for his personal protection or sport (and the possession of which is not prohibited or the registration of which is not required by existing law),

"(2) to impair or infringe in any manner the right of any individual to keep and bear arms."

#### TITLE VII—POLITICAL ACTIVITY

SEC. 701. Subsection (a) of section 9 of the Act of August 2, 1939 (53 Stat. 1148), entitled "An Act to prevent pernicious political activities," is hereby amended by adding in the second sentence after the word "thereof" the words "except a part-time officer or part-time employee without compensation or with nominal compensation serving in connection with the existing war effort, other than as a member of a Selective Service and Training Board, or other than in any capacity relating to the procurement or manufacture of war material."

#### TITLE VIII—COMPENSATION FOR CERTAIN CIVILIAN DEFENSE WORKERS

SEC. 801. Section 40 of the Act of September 7, 1916 (39 Stat. 750), entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, is hereby amended by adding the following paragraph at the end thereof:

"The term 'employee' also includes any person in the protective services engaged in civilian defense, who has been duly appointed as such by an officer or agent of the United States acting under lawful authority. In the event that any such person renders his services on a voluntary basis or for compensation amounting to less than \$100 per month, for the purposes of computing the amount of compensation for death or disability, he shall be regarded as having received compensation for his services at the rate of \$100 per month: *Provided*, That no compensation shall be paid in respect to the death or disability of any such person in any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received, or is entitled to receive similar benefits for injury or death: *Provided further*, That the Commission may establish new and utilize its existing regional offices, utilize the personnel and facilities of other governmental agencies, and delegate thereto such authority as may be necessary, for carrying out the provisions of this paragraph."

#### TITLE IX—PROTECTION OF WAR INDUSTRIES SUBJECT TO SEASONAL HAZARDS OF FOREST FIRES

SEC. 901. The President is empowered to direct the Administrator of the Federal Security Agency to assign the manpower of the Civilian Conservation Corps to the extent necessary to protect the munitions, aircraft, and other war industries, municipal water supply, power and other utilities and resources subject to the hazards of forest fires.

#### TITLE X—FREE POSTAGE FOR SOLDIERS, SAILORS, AND MARINES

SEC. 1001. Any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the military or naval forces of the United States (including the United States Coast Guard), while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

**TITLE XI—NATURALIZATION OF PERSONS SERVING IN THE ARMED FORCES OF THE UNITED STATES DURING THE PRESENT WAR**

SEC. 1101. The Act of October 14, 1940 (54 Stat. 1137), entitled "An Act to revise and codify the nationality laws of the United States into a comprehensive nationality code," is hereby amended by adding thereto a new title as follows:

**"TITLE III**

"SEC. 701. Notwithstanding the provisions of sections 303 and 326 of this Act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized upon compliance with all the requirements of the naturalization laws except that (1) no declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required; (2) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner; (3) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test; and (4) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certification of naturalization, if issued; *Provided, however*, That (1) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States, (2) the service of the petitioner in the military or naval forces of the United States shall be proved by affidavits, forming part of the petition, of at least two citizens of the United States, members or former members during the present war of the military or naval forces of the noncommissioned or warrant officer grade or higher (who may be the witnesses described in clause (1) of this proviso), or by a duly authenticated copy of the record of the executive department having custody of the record of petitioner's service, showing that the petitioner is or was during the present war a member serving honorably in such armed forces, and (3) the petition shall be filed not later than one year after the termination of the effective period of this Act as provided in title XV. The petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the witnesses required by the foregoing proviso shall have appeared before and been examined by a representative of the Immigration and Naturalization Service.

"SEC. 702. During the present war, any person entitled to naturalization under section 701 of this Act, who while serving honorably in the military or naval forces of the United States is not within the jurisdiction of any court authorized to naturalize aliens, may be naturalized in accordance with all the applicable provisions of section 701 without appearing before a naturalization court. The petition for naturalization of any petitioner under this section shall be made and sworn to before, and filed with a representative of the Immigration and Naturalization Service designated by the Commissioner or a Deputy Commissioner, which designated representative is hereby authorized to receive such petition in behalf of the Service, to conduct hearings thereon, to take testimony concerning any matter touching or in any way affecting the admissibility of any such petitioner for naturalization, to call witnesses, to administer oaths, including the oath of the petitioner and his witnesses to the petition for naturalization and the oath of renunciation and allegiance prescribed by section 335 of this Act, and to grant naturalization, and to issue certificates of citizenship: *Provided*, That the record of any proceedings hereunder together with a copy of the certificate of citizenship shall be forwarded to and filed by the clerk of a naturalization court in the district in which the petitioner is a resident and be made a part of the record of the court."

"SEC. 703. The ninety days' notice required by subsection (b) of section 326 of this Act to be given by the clerk of the naturalization court to the Commissioner may be waived by the Commissioner in his discretion. In any petition in which such notice is waived the Commissioner shall cause the clerk of court to be notified to that effect.

"SEC. 704. The provisions of this title shall not apply to (1) any person who during the present war is dishonorably discharged from the military or naval forces or is discharged therefrom on account of his alienage, or (2) any con-

scientious objector who performed no military duty whatever or refused to wear the uniform: *Provided*, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with Section 333 of this Act.

"SEC. 705. The Commissioner, with the approval of the Attorney General, shall prescribe and furnish such forms, and shall make such rules and regulations, as may be necessary to carry into effect the provisions of this Act.

"SEC. 706. This title shall take effect from the date of its approval."

#### TITLE XII—ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER THE WAR PROGRAM

SEC. 1201. To further the war program of the United States, the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other property, real or personal, or services, made on condition that it be used for a particular war purpose.

SEC. 1202. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of property other than money.

SEC. 1203. There shall be established on the books of the Treasury a special deposit account to be designated as the "War Contributions Fund," into which shall be deposited all money received as a result of such gifts.

SEC. 1204. The Secretary of the Treasury, in order to effectuate the purposes for which gifts accepted under this Act are made, shall from time to time allocate the money in such special deposit account to such of the various appropriations available for the purchase of war material and the furtherance of the war program of the United States as in his judgment will best effectuate the intent of the donors, and such money is hereby appropriated and shall be available for expenditure for the purposes of the appropriations to which allocated.

SEC. 1205. The Secretary of the Treasury shall include in his Annual Report to the Congress a summary of the gifts made and accepted under this Act.

SEC. 1206. Whoever shall solicit any gift of money or other property, and represent that such gift is being solicited for the use of the United States, with the intention of embezzling, stealing, or purloining such gift, or converting the same to any other use or purpose, or whoever, having come into possession of any money or property which has been donated by the owner thereof for the use of the United States, shall embezzle, steal, or purloin such money or property, or convert the same to any other use or purpose, shall be guilty of a felony and upon conviction thereof shall be fined not more than \$5,000 or imprisoned for not more than five years, or both.

#### TITLE XIII—COINAGE OF 5-CENT PIECES

SEC. 1301. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this Act and prior to December 31, 1946, to be one-half silver and one-half copper: *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals to a volume not to exceed 10 per centum of the total content thereof, if such action would be in the public interest. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.

SEC. 1302. For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: *Provided*, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: *Provided further*, That the gain from the minor coinage provided for by this title shall be accounted for by entries in the minor coinage profit fund.

SEC. 1303. No silver-copper ingots shall be used for the minor coinage provided for by this title which differ from the legal standard by more than ten-thousandths. In adjusting the weight of such minor coins there shall be no greater deviation allowed than four grains for each piece.



SEC. 1304. For the purpose of section 3529 of the Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent pieces provided for by this title shall be deemed to be copper.

SEC. 1305. Upon redemption any 5-cent pieces coined in accordance with the provisions of this title shall after December 31, 1946, be allocated to the Director of the Mint for melting and for subsidiary silver coinage. Any 5-cent pieces coined in accordance with the provisions of this title but not issued by the Mint may after December 31, 1946, be allocated, in such amounts and at such times as the Secretary of the Treasury in his discretion may determine, to the Director of the Mint for melting and for subsidiary silver coinage. All 5-cent pieces allocated to the Director of the Mint in accordance with this section shall be accounted for by entries in the fund established for the purchase of silver bullion for subsidiary silver coinage. Upon coinage into subsidiary silver coins of the metal contained in the 5-cent pieces so allocated, the gain shall be accounted for by entries in the silver-profit fund.

SEC. 1306. This title shall become effective sixty days after approval.

#### TITLE XIV—INSPECTION AND AUDIT OF WAR CONTRACTORS

SEC. 1401. The provisions of section 10 (1) of an Act approved July 2, 1926 (44 Stat. 787, 10 U. S. C. 310 (b)) (giving the Government the right to inspect the plant and audit the books of certain Contractors), shall apply to the plant and books of any contractor with whom a defense contract has been placed at any time after the declaration of emergency on September 8, 1939, and before the termination of the present war: *Provided*, That, for the purpose of this title, the term "defense contract" shall mean any contract, subcontract, or order placed in furtherance of the defense or war effort: *And provided further*, That the inspection and audit authorized herein, and the determination whether a given contract is a "defense contract" as defined above, shall be made by the agency placing such contract or order or the contract or order under which such subcontract was placed, or by the Chairman of the War Production Board.

SEC. 1402. The provisions of sections 9 and 10 of the Act of September 26, 1914 (28 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of any agency or of the Chairman of the War Production Board acting hereunder. Any person who shall, without just cause, fail or refuse to attend or testify or to comply with any order or subpoena issued under this title, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment of not more than one year, or both.

#### TITLE XV—TIME LIMIT AND SHORT TITLE

SEC. 1501. Titles I to X, inclusive, and title XII of this Act shall remain in force only until December 31, 1944, or until such earlier time as the Congress by concurrent resolution, or the President, may designate, but no court proceedings brought under any such title shall abate by reason of the termination hereunder of such title.

SEC. 1502. This Act may be cited as the "Second War Powers Act, 1942."

Passed the Senate January 28 (legislative day, January 23), 1942.

Attest:

EDWIN A. HALSEY, *Secretary*.

Mr. McLAUGHLIN. We are honored by the presence of the Attorney General, and we will be pleased to hear from you, Mr. Biddle, at this time.

I might say, General, that this bill has been referred to the Judiciary Committee, and Judge Sumners has suggested that it be given consideration by the present subcommittee.

It was the thought of the Chair that it would be advisable to hold this session as an executive session in order that we may review this situation perhaps informally, so that we may be brought up to date as to the bill and as to the action taken on the bill by the Senate, and consider any suggestions or recommendations that the Justice Department may have, as well as the other departments represented here. We will be pleased to hear from you.

**STATEMENT OF ATTORNEY GENERAL FRANCIS BIDDLE,  
DEPARTMENT OF JUSTICE**

Mr. BIDDLE. Mr. Chairman and members, I appreciate very much this opportunity to appear before you.

It might interest you to know the method in which the bill was originally prepared, as I think it is probably a very good technique, particularly during this period when many of the departments are anxious to get through bills which they think affect their efficiency in the war.

What we have done—we did this immediately after war broke out, with the approval of the President—was to organize a small subcommittee in the Department of Justice, of which the members are Judge Townsend, who is the Acting Solicitor General, and in charge of our opinion section and drafting section; Mr. Cox here, who is general counsel for O. E. M., an important job, who is a member, and a Mr. Kemp, general counsel for the Bureau of the Budget, who was designated by Mr. Harold Smith, the Director, to sit on that subcommittee. In that way we were able to clear rather more quickly than by the usual procedure the demands and requests of the various departments. I wrote to all of the departments and requested them to clear through me any legislation they had in mind, because so often a bill will affect different departments. So in each instance this subcommittee would meet with the general counsel or other appropriate officer of the department which was interested in any specific title and it would be cleared with that department and also with the Budget.

As a matter of fact, I sent a summary of this method of handling legislation to the President because I thought it was such an important and significant method that it ought to have his approval, which it did in a general way. Of course, he was not familiar with the details.

After that process was followed we would send it down to the leaders of the Senate and the House, to Mr. Barkley, and to the Speaker, and they would, of course, distribute it to the various committees. And it so happened, not unnaturally, that both these vastly important war measures, the first and second war-power bills, have come into Judiciary Committee, and I want to take this opportunity of personally thanking the members of the Judiciary Committee, this subcommittee and the larger committee, for their cooperation. I have been very much struck and pleased with the splendid consideration that you gentlemen have given us, not that that has not always been so, but this is another emphatic example of it.

Now, I have the original draft of the legislation here, our first draft. I do not think I will have occasion to refer to it very much, and, therefore, in order to save any confusion, I am not going to furnish you with copies of this original draft. This is the committee's draft, so to speak, our committee's draft; if you wish to see it, I may refer to it later.

The bill, therefore, which is now before you is the draft that the Senate subcommittee and the Senate adopted, based on our original draft, but with some changes, which I will point out as I go along.

First, I will present each of you with a copy of my prepared statement, which is as follows:

The second war-powers bill is composed of a number of measures needed by the various Government departments and agencies in the prosecution of the war effort. These measures have been included in one bill because it was thought that this was the method best designed to assure prompt and efficient action on a variety of matters arising from the war emergency. I do not believe that any of the provisions will occasion any substantial controversy.

The provisions of the bill fall into two classes: Those which set forth powers available to the Government during the First World War; and those which represent extensions of existing authority so that particular agencies may be better able to meet the war situation.

The bill is divided into 13 titles. I shall discuss each one separately so that any questions you may have can be related to my statement.

At the outset, let me state, in order that there may be no misunderstanding as to the emergency nature of the bill, that the entire bill will terminate, with the exception of one title, within 6 months after the war, or at such earlier period as Congress or the President may designate. In this respect, title XIII of the second war-powers bill is the same as the First War Powers Act. The only exception, title XI, I will discuss a little later on.

#### TITLE I

Title I of the bill confers emergency powers upon the Interstate Commerce Commission over motor carriers. As you may know, the Interstate Commerce Commission has had emergency powers over railroad carriers under section I, subsection 15, of the Interstate Commerce Act. These powers included authority to suspend the ordinarily lengthy procedure involved in interstate commerce proceedings; to suspend the rules and regulations ordinarily applicable; to make directions with respect to the operation of railroads without regard to the ownership of the locomotives, cab cars, and the like; to require joint or common use of terminals; and to give directions for preference or priority; and to control the movement of traffic under permits.

Equivalent powers are needed by the Interstate Commerce Commission over motor carriers which are performing important services in connection with the war. I need not tell you that in time of war and production for war, the currents of traffic shift from their normal courses with resulting dangers of congestion and the possibility of failure to effect prompt deliveries of essential materials.

Title I seeks to fill this gap in the law to meet the war situation. The first provision would grant to the Commission, in general terms, emergency power over motor carriers equivalent to those which it has with respect to rail carriers. The second proposed paragraph confers broad regulatory power upon the Commission. It is needed because of the existence of certain restrictions which, if not suspended, would prevent the flexibility necessary to emergency transportation. The third provision would permit extension of temporary operating authority over motor carriers beyond the present limit of 180 days, to the effective period of the second war powers bill.



## TITLE II

Title II of the bill, relating to the acquisition of real property, extends the War Purposes Act of 1917, which now applies only to the Secretary of War, to the Secretary of Navy, and any other officer or agency designated by the President. The principal usefulness of the authority conferred by this statute is in the fact that immediate possession and use may be taken of property without the necessity for completing condemnation proceedings and without taking title. The Navy Department, in particular, has as much need for the swift acquisition of property as the War Department which already has this power.

In addition, certain provisions of the War Purposes Act of 1917 are unclear or too restrictive. The proposed amendment will remedy these difficulties:

1. The bill specifically provides that personal property, located on or used with real property which is acquired, may be acquired in the same condemnation proceedings. Such personal property could, of course, be obtained only as an incident to the purpose of acquiring the real property. The War Purposes Act of 1917 was somewhat unclear in referring to the acquisition of land "or right pertaining thereto."

2. The amendment proposes that condemnation proceedings shall be in accordance with the act of August 1, 1888. This is the basic act under which Federal condemnation proceedings are instituted and its requirement is merely that such proceedings be in accordance with the practice and procedure of the States to the extent that they may be applicable. The War Purposes Act of 1917 provides that condemnation procedures are to be prosecuted in accordance with the laws relating to the suits for the condemnation of property in States where the proceedings may be instituted. It is possible that this provision requires the United States, in its condemnation proceedings under the act, to observe the various laws, both procedural and substantive, in the several States. Any such requirements would greatly impede Federal condemnation for war purposes.

3. The proposed bill also empowers an agency acquiring land by purchase or other voluntary means of transfer, to occupy and improve such lands without prior approval of the title by the Attorney General. This eliminates the time-consuming restrictions imposed by section 355 of the Revised Statutes which prohibits the expenditure of public money for improvement of lands until the Attorney General has approved the validity of title.

## TITLE III

Title III of the bill has been proposed by Mr. Donald Nelson, new chairman of the War Production Board. It is principally designed to put some teeth into the priorities law which was enacted by Congress in 1940 and amended in 1941.

Investigations conducted by the Priorities Division of the Office of Production Management indicate violations of priorities and allocations orders are widespread and serious. It is true that there are various administrative sanctions available to the Office of Production Management. Fuel and power might be cut off to a factory violating the priorities order as was done during the World War on several occa-

sions. But administrative sanctions, although highly important, do not provide an adequate remedy in all cases. For example, at a time when airplane production is vitally needed, it would not facilitate war production to curtail the supply of aluminum to an airplane company and thus close the plant.

The civil and criminal remedies provided are intended to supply the means whereby priorities orders and allocations can be enforced when administrative sanctions are not appropriate.

I might mention the one other change of importance. The original priorities bill is unclear with respect to the power of the President to allocate production facilities, including tools and equipment. For example, in carrying out the production program it may become necessary to require particular plants to manufacture particular defense articles. Such plants may be fulfilling orders under subcontracts or for other reasons may not fall within powers vested in the Government by section 9 of the Selective Service and Training Act. This power is essential to insure the greatest possible expedition in the conversion of civilian plants to defense uses and to provide for the maximum use of the Nation's resources.

#### TITLE IV

Title IV of the bill, suggested by the Federal Reserve Board and concurred in by the Treasury Department, would permit the Federal Reserve banks to buy Government securities including those fully guaranteed by the Government, directly, instead of having to purchase them in the open market. This bill has been discussed by representatives of the Federal Reserve Board, with Senator Glass and Chairman Steagall of the House Banking and Currency Committee. They both agree with this proposed amendment.

We all know that the Federal Government is spending greater amounts of money in the prosecution of this war than have ever been spent before by any nation on this earth. There will be a corresponding need to borrow large sums. This may create disturbances in the money markets which will seriously impede financing of the war unless the Federal Reserve banks are given the power to make purchases of Government securities "off the market."

#### TITLE V

Title V of the bill relates to the waiver of navigation and inspection laws by the Secretary of Commerce where necessary for the prosecution of the war. Five days after the attack on Pearl Harbor, ships were needed to carry men and materials in the Pacific who were faced with the necessity of complying with these laws. Acting under his constitutional powers as Commander in Chief the President issued an Executive order giving the Secretary of Commerce this authority. Both the President and myself, however, were convinced of the advisability of obtaining legislation to this effect.

I am certain that it is not necessary to explain, at length, the need for vessels transporting men and materials to sail without delay of any kind. In many cases delay will necessarily occur if vessels engaged in transportation are required to comply with all applicable

provisions of the navigation and inspection laws. These laws are so many and so varied that it is impossible to foretell which of them may stand in the way of expeditious sailing.

The proposed bill follows the provisions of the Executive order and provides that the Secretary of Commerce shall waive such laws upon the request of the Secretary of War or the Secretary of the Navy, upon his own initiative, or upon recommendation of the head of any other agency that such action is necessary to the conduct of the war.

#### TITLE VI

Title VI of the bill removes the prohibition in the present requisitioning law against the seizure of machinery or equipment which is in actual use and necessary to the operation of a factory or business.

Since the enactment of this law, instances have arisen in the experience of both the War Department and the Office of Production Management where machinery or equipment needed for war production could not be obtained either because it was used for civilian production or used a few hours a day on Government production which, for managerial or labor supply reasons, could not be increased.

I can cite one of a number of illustrations given to me by the War Department and the Office of Production Management. A Norfolk concern, owners of a gear cutter, flatly refused to sell or lease this machine to the Government when asked to do so by a representative of the Office of Production Management. The Government wanted this machine tool for the manufacture of parts for ships' turbines, or parts for antiaircraft machine guns. The company performs no defense work whatever on this machine. It makes lumber machinery. The company claims that if this machine is made available to the Government it will have the effect of putting them out of business. The Office of Production Management pointed out, however, that the gears for the lumber machinery could be cut by some outside machine in view of the very small volume of gear cutting the machine was being used for. The company refused to adopt this suggestion.

By not having the requisitioning power, it was not only impossible to requisition machinery, but it eliminated the possibility of being able to obtain such machinery by consent since the ultimate power was not vested in the Government to take it, if necessary, under the law.

I hope we have long since passed the time when we merely talk about an all-out effort and all-out utilization of our resources. We must now proceed to do the job, and to do the job it is imperative that the Government have the power to obtain equipment and machinery which recalcitrant owners refuse to make available to the Government.

#### TITLE VII

Title VII of the bill is an amendment to the Hatch Act. It exempts from the provisions of section 9 (a) part-time officers and employees who serve without compensation or with nominal compensation. This proposal does not subvert the spirit and general purpose of the act, which was to prevent the self perpetuation in office of Federal job-holders.



The Government needs, in its service, every man and woman who can make a contribution to the war effort. Many prominent and patriotic citizens are glad to render their services part time without compensation or upon payment of a nominal fee in lieu of compensation. Outstanding of such citizens are members of the local and appeals board of the Selective Service System throughout the Nation, special assistants to the Attorney General designated by the Department of Justice as hearing officers for conscientious objector cases, and members of the Enemy Alien Hearing Board created and established after the declaration of war.

The need of the Government for such citizens and others like them, who are sometimes active in political life, and the desire of such citizens to serve, should not be hampered by restrictions in existing laws which require, as a condition to the performance of valuable and voluntary services, abstinence from the political life of their communities.

#### TITLE VIII

Title VIII of the bill brings under the Federal employees' compensation system air raid and fire wardens duly appointed by the proper Federal authorities. Since in most cases individuals serving in the wardens' service volunteer their services, and since compensation under the Federal Employee's Compensation Act is based on the amount of compensation paid, the bill provides that for this purpose such persons shall be deemed to be paid at a rate of not less than \$100 a month.

In modern warfare, there are no front lines. Homes, hospitals, churches, and factories are as much a part of the battle front as a pill box or fort. We all know of the heroism of the air raid and fire wardens in England. The responsibility of the Federal Government for relieving those injured in the course of their activities in civilian defense is as clear in the United States as in England, which provides compensation for air raid and fire wardens.

#### TITLE IX

Title IX of the bill extends, for the period of the war emergency, the act of May 31, 1941, which authorizes vessels of Canadian registry to transport iron ore on the Great Lakes for the year 1941. That law was enacted because of the scarcity of shipping on the Great Lakes. As a result, during the navigation season of 1941, over 700,000 tons of iron ore were carried by Canadian vessels on the Great Lakes. It is anticipated, with our entry into the war, that the need for utilizing all available shipping will be greater than ever before. It is directly in line with the announced policy of our country to pool our resources with those of other countries for the defeat of the Axis powers.

#### TITLE X

Title X of the bill is virtually a reenactment of a World War statute of 1917, which provided free postage for our armed forces assigned to duty in a foreign country. The proposed bill includes soldiers, sailors, and marines, regardless of rank assigned to duty outside the continental United States.

## TITLE XI

Title XI of the bill also establishes a policy set forth by Congress during the last World War. It provides that aliens honorably serving in our armed forces during the present war may acquire citizenship regardless of race, age, length of service, and education. It also provides for speeding up the processes of naturalization, including a provision for naturalization without appearance before a court if the person to be naturalized is not within the jurisdiction of any naturalization court.

## TITLE XII

Title XII of the bill authorizes the Secretary of the Treasury to accept gifts of money or property, whether such gifts are outright or conditional. It also prescribes the procedure for administering money or other property which is donated to the Government.

This bill is necessary to round out the authority of the Secretary of the Treasury to accept gifts because of provisions in existing laws which prohibit the acceptance of gifts conditioned upon a particular use. It is thought that acceptance of these gifts will make for a sense of participation in the war effort by the donors and, to some extent, lower costs for the Government.

You may all have read in the newspapers of collections of funds to buy Spitfires for the British or for other purposes. As a practical matter, it is impossible to take money and use it for the purchase of a definite piece of war material. This bill, however, will provide a practical way in which the requests of donors of conditional gifts can be complied with. The money representing a conditional gift would be placed in a special deposit account and from there transferred and allocated to the appropriation available for the purchase of war material most similar to that for which the donor asked his gift to be expended.

(End of Mr. Biddle's written statement. Titles of bill not covered by written statement are explained in Mr. Biddle's oral presentation.)

The first title, which is title I, deals with the emergency powers of the Interstate Commerce Commission and grants emergency powers over carriers other than the railroads. For example, it removes the 180-day clause in the Motor Carrier Act. That clause in the Interstate Act was as follows:

That whenever the provision of service for which there is an immediate and urgent need to a point or points, or within a territory having no carrier service capable of meeting such need the Commission—

That is, of course, the Interstate Commerce Commission—

may in its discretion and without hearings or other procedure grant temporary authority for such service by a common carrier or a contract carrier by motor vehicle, as the case may be. Such temporary authority, unless suspended or revoked for good cause, shall be valid until such time as the Commission shall specify—

These are the important words—

but not for more than an aggregate of one hundred and eighty days.

That clause is taken out by section 2 of the draft before you. Those words "one hundred and eighty days" are removed, giving the Commission much more flexibility during the emergency.

Mr. SPRINGER. What is the purpose of that, General?

Mr. BIDDLE. The purpose of it is simply to act quickly without hearings, without these long hearings that the Interstate Commerce Commission has to have under the Interstate Commerce Act. It has this power with respect to the railroad system and it is necessary to affect the quick and flexible movement of traffic. It was done in the last war under the coordinator of the railroads.

I might say that this amendment was proposed and approved by Mr. Eastman, who, as you know, has recently been appointed by the President as Coordinator of Defense Transportation.

Mr. HANCOCK of New York. So a temporary order by the Commission may be effective immediately?

Mr. O'HARA. These do not affect in any way the railroads, as I understand it?

Mr. BIDDLE. No.

Mr. O'HARA. But merely the trucks, busses, and motor cars?

Mr. BIDDLE. That is right.

Mr. McLAUGHLIN. As passed in the Senate, does this affect water carriers in any way?

Mr. BIDDLE. Yes; it does.

Mr. McLAUGHLIN. What was that amendment? Could you give it?

Mr. BIDDLE. It covers water carriers. It applies to water carriers as well. I have not the water carriers' section before me, but the effect is to waive the 180-day requirement with respect to water carriers as well as to trucks.

Mr. McLAUGHLIN. As well as to trucks. Thank you.

And that likewise has the approval of Coordinator Eastman?

Mr. BIDDLE. Yes; it has.

As to title II I think there was very little discussion of title II in the Senate or in the Senate committee.

Title II is for condemnation of land and personal property on land to be acquired. This gives broad powers to the Secretary of War and the Secretary of the Navy and other Government departments to acquire by any means any property, including the personal property attached to the real property, and to acquire it for temporary use as well as for permanent use. It would enable the acquisition of leaseholds or of any other property.

Mr. McLAUGHLIN. General, will you state how that changes the existing law?

Mr. BIDDLE. The old act, the War Purposes Act of 1917 applied only to the Secretary of War. That is now extended to the Secretary of the Navy and other agencies.

Mr. O'HARA. This provides, as I read it, General, for the condemnation of either personal or real property.

Mr. BIDDLE. Yes.

Mr. McLAUGHLIN. And the Act of 1917 was limited to the Secretary of War?

Mr. BIDDLE. Yes.

Mr. McLAUGHLIN. And this is broadened?

Mr. BIDDLE. This broadens it and gives it to other agencies, the Secretary of the Navy and other agencies designated by the President.

Mr. HOEBS. Was it not also limited to real estate in other days?

Mr. BIDDLE. Yes; I think it may have been. This includes the fixtures and personal property.



Mr. HOBBS. This extends the power to other property than realty also?

Mr. BIDDLE. Exactly.

Mr. McLAUGHLIN. Is this expansion to cover personal property an absolute expansion, or is it qualified to cover personal property which is a part of or intimately connected with real estate?

Mr. BIDDLE. It covers personal property located on or used with real property which is taken under the statute.

Mr. McLAUGHLIN. Is that expansion a new conception, a new provision, or did the existing law carry that provision?

Mr. BIDDLE. I am just looking for it. The act of 1917 was not very clear. It read as follows:

The Secretary of War may cause proceedings to be instituted in the name of the United States in any court—

and so on—

for the acquirement by condemnation of any land, temporary use thereof or other interest therein or right pertaining thereto.

Now, the language of this act makes it perfectly clear that that condemnation power includes property which cannot be easily classifiable as either real estate or personal property. And, really, I do not think it does very much more than to clarify the power of taking, so as to make it perfectly clear that the agency may take a going concern.

I think there was a good deal of doubt under the provisions of that earlier section of the act of 1917 whether or not that could be done, or whether you could take personal property which specifically is not mentioned, as you will see, in that act.

It says "condemnation of land, temporary use, or other interests." Well, the "other interests" might refer to the land. It was not clear that you could take the detachable fixtures, let us say, which could be very easily classified as part of the property under some of the State statutes.

Mr. HANCOCK of New York. You say under this provision you can take either real or personal or mixed.

Mr. BIDDLE. No; I think it is very clear that if you take personal property it must be something in the nature of machinery or equipment to be used in connection with real property. Take an extreme case. Certainly, you could not take the bank account of a corporation.

Mr. HANCOCK of New York. The language refers to real property, does it not, as well as to personal property?

Mr. BIDDLE. The language as found on lines 12 and 13 under title II says—

any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that shall be deemed necessary—

Mr. HANCOCK of New York. But you could not take the machinery without taking the plant.

Mr. BIDDLE. No; that is right.

Mr. O'HARA. There is no provision in this act for the compensation to the person from whom the property is taken or is condemned.

Mr. BIDDLE. That is not in the amendment, but it is in the statute itself.

Mr. O'HARA. It must be in the statute itself.

Mr. BIDDLE. It says it is in the condemnation statute, which says "Such proceedings to be in accordance with the act of August 1, 1888, the condemnation statute.

Any further questions on this particular title?

Mr. O'HARA. There is one other thing. Pardon me. Perhaps Mr. Cox is familiar with this. I read through the hearings in the Senate, and as I understood it if the amount cannot be agreed upon between the Government and the property owner then the property owner has the right to go into court.

Mr. BIDDLE. Why, certainly. He must go in.

Mr. McLAUGHLIN. There was some question, I believe, raised in the Senate with respect to the disposition of this property by the Government.

Mr. BIDDLE. Yes.

Mr. McLAUGHLIN. And I think it was suggested that protection should be accorded the property owner whose property was taken under this act by affording him some opportunity to repurchase the property after the Government had ceased to have use for it.

Mr. BIDDLE. The phrase that was added in that connection by the Senate to our original draft is found on line 18, page 3, which provides that the Government may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section (b) of the act of 1940.

Mr. McLAUGHLIN. What is the practical effect of that?

Mr. BIDDLE. The practical effect is where they do not need it any more for defense purposes they can get rid of any surplus they do not want.

Mr. McLAUGHLIN. At public sale?

Mr. BIDDLE. Yes; a public sale.

Mr. McLAUGHLIN. Without according to the original owner any rights?

Mr. BIDDLE. Public or private sale. You see, having taken it, I do not suppose the owner has any more interest in it.

Mr. KEFAUVER. Mr. Chairman, may I ask the Attorney General a question?

Mr. McLAUGHLIN. Yes, Mr. Kefauver.

Mr. BIDDLE. Yes, Mr. Kefauver.

Mr. KEFAUVER. I have heard that the Government had only doubtful authority to take over and use patents or trade rights or formulas that might be owned or held by American nationals. I know there is a statute which says when the Government uses a patent or a trade right that it should give compensation therefor.

In the Senate hearing something was said about the fact that the Treasury was preparing a separate bill on that subject matter, and I wondered why that should not be included at this time.

I had understood perhaps one company had a patent on the making of a synthetic rubber through a coal process, and perhaps the amount of synthetic rubber we can make would be limited to the extent that this company might let somebody else use their patent. If that is the case—I do not know whether it is or not—I wanted to ask you about it—then why should not something to take care of that situation be included in this bill?

Mr. BIDDLE. My answer to that would be this, Mr. Congressman: In the first place, it is a highly technical question. It involves very often complicated questions of ownership, which may include either nationals and aliens, or cut across stock ownership and other types of ownership.

As you gentlemen know, the President has not yet appointed an alien property custodian. I understand he is considering that appointment. A very careful study is being made as to what the powers were under the bill enacted during the first world war.

We have drafted an act with respect to patents, which is being studied by the patent committee, which the President recently appointed to study the whole problem, and the Treasury. It is not that we wish to slow up the passage of this bill, but we want the Department of Commerce as well as the Department of Justice to work on it. We are not ready to put in this statute. I think it will come before you very soon.

There are other pieces of legislation which have not come up the line yet.

We have had consultations with several members of the Senate and also the House, who are interested in this problem, and have had the benefit of their views, but we are not ready to give you a patent requisition as yet. Such a bill cannot be as quickly drafted as a bill taking over real estate or personal property.

Mr. KEFAUVER. Yes; I appreciate that.

Mr. BIDDLE. But it is very nearly ready. There was no thought of excluding that. It is absolutely essential and important.

Mr. KEFAUVER. I just wanted to know if you are looking into that.

Mr. BIDDLE. Yes; we are.

Mr. O'HARA. General, I would like to ask you a question with respect to title II before we pass from it.

Mr. BIDDLE. Yes.

Mr. O'HARA. The situation is the Government takes under this act a factory, which may be large or small, and they may add or take out machinery, or may improve it or partly demolish it, but that still has a particular value to the people who were interested before the Government took over that property. I notice it was said that property might be ultimately disposed of by the Government at public or private sale. It does seem to me we should either have a public sale on those matters, or at least to give some rights of first purchase on the part of those persons or corporations from whom the property was taken originally.

Mr. BIDDLE. I would have some doubt as to that, because as a practical matter it is very clear in most cases the former owner, if interested in it, will have the first right to bid. First right to bid does not mean a great deal. You just do not take it if the offer is not large enough. But I hardly think that is a matter which should bother us as it is an administrative matter.

I think if the Government wants to get rid of the property they should let anybody know who is in the market.

Mr. O'HARA. It could be, General, that they would not know it was on the market unless there was a public sale.

Mr. BIDDLE. It is often very hard to get bids at a public sale, especially for certain kinds of property.



STATEMENT OF OSCAR COX, GENERAL COUNSEL, OFFICE OF  
EMERGENCY MANAGEMENT

Mr. COX. As a practical matter you have the converse situation, where recently the Navy, in order to get the Bethlehem Works expanded, had to acquire land from an adjoining private owner, and then turn around and sell to Bethlehem because they could not get a clear title and the owner did not want to sell. In that case you would not want to give the owner an absolute irrevocable bid because he might be holding up the sale in order to get a higher price.

Mr. O'HARA. Would not it safeguard the property owner if he had a public sale.

Mr. COX. Congress established a war property condemnation and disposition law in the last war. Under this act of July 2, 1940, it gives the kind of disposition powers it had during the last World War.

Mr. HANCOCK of New York. Is it possible under a condemnation act to acquire temporary use?

Mr. BIDDLE. Yes, sir.

Mr. HANCOCK of New York. In that case the title would revert back to the original owner after the temporary use.

Mr. BIDDLE. Yes.

Mr. HANCOCK of New York. But you can acquire property by a lease?

Mr. BIDDLE. Yes. You can condemn it for a certain length of time.

Mr. TOLAN. You are right, General, that the public sale has not always been a success.

We have now approximately \$60,000,000 of property belonging to the Government which has been declared surplus by the Treasury Department. I looked into that somewhat and introduced a bill providing the Treasury Department may pay a commission on the sale of property not in excess of the going rate in the particular locality where the property is situated. The public sale has not worked out. The only way the Government can get rid of this property is to do like the business man does and sell it off bit by bit at private sale.

Mr. BIDDLE. So much of this is for specific kinds of property with a very narrow market. All of you lawyers who have represented receivers know that a public sale is just a waste of time. You have got to trust your Government just as much as you can.

Mr. O'HARA. I would not like to agree with my distinguished friend from California that public sales are not a good thing.

Mr. BIDDLE. I do not so understand him.

Mr. TOLAN. I said not always.

Mr. BIDDLE. I think most of the material will be sold at public sale. There would be a lot of little stuff where you do not want a public sale.

Mr. KEFAUVER. General, under the National Banking Act I am selling all of the assets of a client by private negotiation. A petition is filed in a competent court to affirm the sale. Would that be feasible, or would such provisions apply to such a sale under this title?

Mr. BIDDLE. No; there would be no necessity of going to court, it seems to me. I think that would be an unnecessary complication. I think it could be done if the committee felt they could not trust the Government to get the best price they could for their property. It would be throwing an immense load of petty stuff into this thing.

Mr. ROBSION. I notice most of the States of the Union, my State and others, require public sales, and then it requires—that is, the court—a certain length of time to lapse after the sale to give any party who wishes time to take exceptions or file objections to the sale. Then the court either affirms or disapproves the sale.

It seems to me you are in opposition to all of the States which have these laws.

In a case such as has been mentioned here, the former owner or anybody else might want to file an objection to the sale. What opportunity would they have?

I know we talk a lot about our trust in our Government, and we are also hedging around about the rights of citizens, not that there is any notion of dishonesty, but to protect them against mistakes and fraud, if any.

Mr. BIDDLE. Let me emphasize the fact that this act does not, of course, exclude a public sale at all. I do not want the committee to think that this does not permit the Government to use the mechanism of a public sale. Of course, it does. But it also gives them the right, which I think administratively should be exercised under conditions where there is a comparatively small amount to sell, and not to go through the somewhat cumbersome sale for minor material.

Mr. ROBSION. But our colleague here has related those plants that have been taken over.

Mr. O'HARA. That is right.

Mr. ROBSION. And this is not with reference to some small amount of material, but those plants which have a large amount. For instance, General, who will have the say-so as to the sale of this property when the Government desires to sell?

Mr. BIDDLE. A particular agency.

Mr. ROBSION. There will be an agency created for that purpose?

Mr. BIDDLE. No; no. The agency which is operating it will sell it—the War Department, or whoever is operating it.

Mr. HANCOCK of New York. General, as I read it, Government sales must be under the act of July 2, 1940. Apparently, it is tied in with existing law. It says, "must be disposed of in accordance with the act of July 2, 1940."

Mr. BIDDLE. Yes.

Mr. HANCOCK of New York. So it does not change the law with respect to disposing of the property. Look at line 18 on page 3.

Mr. SPRINGER. General, on this point to which we are referring at this time I notice in line 13 of this proposed legislation it says—

to acquire by condemnation any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that shall be deemed necessary.

Mr. BIDDLE. Yes.

Mr. SPRINGER. The point that appeals to me at this particular time is if condemnation of that kind should be had a part of the personal property which the owner might have on hand might be that which they might not desire, and the owner would be left with a large amount of personal property and supplies on his hands, unfabricated materials, that might cause a great loss to the owner of that land and property. Or there might be part of the machinery which it might not be necessary to take under the condemnation. Should that be compensated?

Mr. BIDDLE. Of course, the owner has his right to compensation for anything which might be taken.

Mr. SPRINGER. But what about that property which might not be taken and might constitute a loss by taking a part of it? Is there any compensation for that loss which might be sustained?

Mr. BIDDLE. I do not think of any further reason for that.

There is no provision for severance damages, which may be what you have in mind. But severance damages have always been open to a great deal of misuse, and I should be very hesitant in providing for that.

I think the present statutes protect the owner pretty well. I think that would be true without this statute. The Government could condemn a large plant and not touch any of the personal property under the old act as it stands today. That is not changed today.

Mr. O'HARA. But do you not think, General, the owner should have the right to recovery for all the damage he has sustained?

Mr. BIDDLE. No; I do not think the owner would have the right to severance damages because the Government could not use the other material in his plant. I am very skeptical of that. It is very difficult.

Mr. O'HARA. But it is also drastic action by the Government.

Mr. BIDDLE. The drastic action is taking it promptly. It does not affect the Government as to what the owner can recover.

Mr. MICHENER. Is this permanent law, General?

Mr. BIDDLE. No; none of this is permanent. I will show you the limitations now. Page 21 of title XV is the limitation period. The limit is at the bottom of the page, on line 24, as follows:

Titles I to X, inclusive, and title XII of this act shall remain in force only until December 31, 1944, or until such earlier time as the Congress by concurrent resolution, or the President, may designate.

That is the limit of the statute. In other words, you can stop it by a joint resolution any time you want.

Mr. MICHENER. You think we can do that?

Mr. BIDDLE. As to the constitutional question, you mean?

Mr. MICHENER. That is right.

Mr. BIDDLE. That would involve a great deal of doubt. I have a great deal of doubt as to the power of Congress to amend a statute by resolution.

Mr. MICHENER. The inclusion of this new method of repeal is sort of an opiate at least to people who have been used to ordinary concepts of government and the essentials to the making of a constitutional law.

Mr. BIDDLE. I think that is a very subtle way of putting it. But if you gentlemen in the Congress and the Senate would prefer to bring out a resolution as to this matter I would not stand in your way.

The CHAIRMAN (Mr. Sumners of Texas). I have some very definite notions both as to the congressional powers and duty to include such a provision in these grants of emergency powers, which I believe worthy of general consideration.

The question is whether or not Congress can put this provision in its bills providing for the termination of these emergency powers by a



concurrent resolution. The general power and policy involved is a most important one for the consideration of the Congress, the President, the people, and probably later by the courts. A study of our governmental history discloses that one of the chief reasons if not the chief reason why we have had efficiency in great emergencies and relatively little absolute dictatorship in our long history—I refer to both sides of the Atlantic—is that in emergencies such as we now confront, instead of turning all governmental power over a dictator, in order to get speed and strength we have been able to concentrate what amounts to dictatorial powers to deal with an emergency situation in the Executive and yet not lose the power to control its exercise and terminate its existence. This power to terminate by concurrent resolution is for that purpose.

Our governmental machinery, that of a democracy as it ordinarily functions, does not have a quick enough pick-up and strength required to deal with these great emergencies. In such a situation the necessary power and rapidity are created by their emergency concentration, the permanent danger of which is minimized by the retention in the conferring agencies of the power to control the exercise of the emergency power and to terminate its existence and to effectuate its redistribution. That prevents the public interest from becoming imperiled in the first instance by a hesitancy to grant government the emergency power required for maximum efficiency and security.

Because Congress retains this power to terminate by concurrent resolution the country is not afraid to delegate these emergency powers. Of course, these observations have no special relationship to the present Congress, the present occupant of the White House, or the present generation in governmental responsibility at the moment. They deal with the broad continuing policy of democratic government.

As to its constitutionality: I will take time to make one or two observations. The legislative powers under the Constitution are fixed in the two Houses of Congress. Then there is added the provision that requires proposed legislation to be referred to the President for his opinion with reference to it. If he objects he advises the House in which the legislation originated. Then the Houses may consider these objections, and even though they have his objection before them, if they do not think it is a good objection they can go ahead and pass the law anyhow. It is true they have to have a two-thirds vote, but the fact there is required a two-thirds vote does not affect the constitutional question here involved of power to legislate without Executive approval. There is nothing novel about this provision. All sorts of provisions are incorporated similar to this, such as termination by Executive order. Basically this provision presents a much stronger case than that would. It is a termination of a power granted by the custodians of the entire legislative power of the Government, a termination by a concurrent resolution by the two Houses of Congress in which two Houses the entire legislative power has been vested, which with certain constitutional limitations is the general policy-fixing agency of the Government, representing as they do in the aggregate all the people, since they are specifically chosen for that purpose. Article I, section 1, of the Constitution referred to is as follows:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Now, then, it seems to me that it would be a fine thing if it should be agreed upon as the established policy in America that the legislative branch can give these extraordinary powers to the Executive, which might not be safe for an Executive ordinarily to possess, because the Houses of Congress can retain the power to terminate those powers. This is most important, not only for the President and the Congress on this emergency but for all time as a fixed policy based upon public necessity and due caution for the public protection in great emergencies and against the frailties of personal ambition which weaknesses have caused the destruction of human liberty among peoples not so cautious in such matters as Anglo-Saxon peoples traditionally have been.

Congress must feel free and unafraid to give the powers. Necessarily I am speaking of a permanent policy and objective, and it will and the people will approve if it can have the assurance that there is reserved and retained the power to take back this extraordinary power, this power, which would perhaps be very dangerous to be possessed by any human being in any government without this reservation.

If we could have that as an agreed policy in America, Congresses would not be afraid, the Presidents would not be embarrassed, and we would get along very well fighting the battles of democracy against dictatorship.

I want to put that statement in the record because I have thought about it, and I have examined to try to discover why it is we have had so little dictatorship during our long years of Anglo-Saxon government and it seems to me it is due in no small degree because we seem instinctively to sense the existence of a crisis requiring a stronger government with a quicker pick-up than our institutions functioning normally can provide and have the genius to concentrate emergency powers in the Executive to deal with the emergency and to retain the power to control, if necessary, the exercise of these powers and the power to terminate them. That prevents a dangerous hesitancy in conferring them and reduces to a minimum any danger from their concentration. From the standpoint of constitutional warrant and the most vital public necessity this provision is not only justifiable but is necessary.

Mr. BIDDLE. Title III is comparatively simple. It puts teeth in the priorities statute and provides for sanctions.

There is one provision I think I should call your attention to in addition to the sanctions, and that is the provision of allocation on page 5, starting at line 15, which provides that—

Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest.

It adds to the power of allocating facilities as well as for materials. Mr. MICHENER. I thought that was already being done, General, by the Office of Production Management.

Mr. BIDDLE. Yes; but this authority has been unclear, although I do not mean it was an unauthorized action by O. P. M.

Mr. ELIOT. On page 6, line 4, does that refer to the Federal Trade Commission Act?

Mr. BIDDLE. Yes; that is right, Congressman.

Mr. ELIOT. I am a little vague about this, but as I recall there was some disposition among some of the attorneys working on the drafting of the bill—I do not have that detail before me—to raise a question as to whether this language was adequate or not.

Mr. Cox. Yes; and whether the language of the Securities and Exchange Act was more adequate. It was finally decided this was better language to use.

Mr. ELIOT. For any particular important reason?

Mr. Cox. No.

Mr. BIDDLE. The title, of course, provides for court actions and appeals from any prior decision.

I do not think there was hardly any discussion in the Senate committee on this provision. It is rather a standard form.

Mr. O'HARA. It provides for appeals to the district court and not to the Court of Claims?

Mr. BIDDLE. Yes. Subsection 6 provides for the district courts of the United States and, of course, the Territories have jurisdiction.

Mr. MICHENER. General, I apologize by saying I have not had an opportunity to read the bill, but I had a long-distance call from Detroit yesterday concerning some amendment offered by Senator Taft. There is something in the amendment which has something to do with the Federal Reserve.

Mr. BIDDLE. We will come to that.

Mr. O'HARA. When we come to that I have something to say in connection with it.

The CHAIRMAN (Mr. Summers). It would probably be a good idea to pass that item over now because that is going to take a considerable time. The Attorney General's time is limited. That is going to be very controversial.

Mr. BIDDLE. I have already canceled my engagements for this morning.

The CHAIRMAN. I suggest, if Mr. McLaughlin and the other gentlemen agree, to pass that to the heel of the docket.

Mr. BIDDLE. And then take it up at the end if you have time?

The CHAIRMAN. That is right.

Mr. O'HARA. Mr. Chairman, might I state that several of my colleagues on the Banking and Currency Committee are tremendously interested in title 4, which is the section we are talking about.

Mr. BIDDLE. That is the one.

The CHAIRMAN. That is the one which I suggested we pass to the heel of the docket. Suppose we pass it over for a while.

Mr. O'HARA. That is fine.

The CHAIRMAN. I think that will take some time when we reach it. Mr. McLAUGHLIN. Let us go on with title V.

Mr. BIDDLE. Title V, Waiver of Navigation and Inspection Laws. I have a letter here from the Secretary of Commerce which perhaps I should open now.

Mr. Chairmen and gentlemen, I am handing you up the original draft of our act because the Senate amended this title V in a manner which the Secretary thinks, to use his expression, is disastrous to his purposes.



So, with your permission I am going to ask you to look at title V on page 3 of the draft which I have just handed up. It is a mimeographed copy of the act dated January 10, 1942, which I think you now have before you.

If you will turn to page 3 you will find title V, which I am going to read, as it is very brief, and then refer to the Senate amendment of that.

Now, then, you will see, gentlemen, that that sections reads as follows—

The CHAIRMAN (interposing). What page is that?

Mr. BIDDLE. It is on page 3 of this mimeographed act, and it is section 501, title V and it provides:

The Secretary of Commerce is directed to waive compliance with the navigation and vessel inspection laws upon the request of the Secretary of the Navy—

In other words, Commerce has to waive them when the Navy requests:

or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request.

That is done by the Army and Navy, in other words.

The Secretary of Commerce is authorized to waive compliance with the navigation and vessel inspection laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other Government agency whenever he deems that such action is necessary in the conduct of the war.

Now, the Senate changed that and wrote a quite long and I think unnecessarily complicated section, which you will find on pages 8 and 9 of the Senate bill.

It provides, for instance—

when in the opinion of the Secretary of Commerce there is no other reasonable recourse, the Secretary of Commerce is authorized, upon written recommendation of the Secretary of the Navy, and of the Secretary of War, and of the Secretary of the Treasury and of the Secretary of Labor.

Mr. O'HARA. You mean all of them have to agree?

Mr. ELIOT. It says to name three of them.

Mr. BIDDLE. Yes; it further reads, "and of the Chairman, United States Maritime Commission."

I would like to put the Secretary's letter in the record after I have read it, Mr. Chairman. He writes as follows:

LETTER FROM HON. JESSE H. JONES, SECRETARY OF COMMERCE

JANUARY 29, 1942.

DEAR MR. ATTORNEY GENERAL: On January 26, 1942, during the consideration of S. 2208, a bill to expedite the prosecution of the war, the original draft of which you transmitted to Congress, the Senate amended title V by striking out the language of section 501 and substituting the language of H. R. 5111 as passed by the Senate.

The effect of this amendment is disastrous. It would be far better to have title V stricken from the bill completely than to have the bill pass with this amendment.

Section 501 of the bill as introduced was substantially the same as the language of Executive Order No. 8976 of December 12, 1941. That order is clear cut and workable. The amendment is so hedged about with restrictions as to completely destroy its effectiveness.

Vessels transporting men and materials urgently needed in the prosecution of the war must be moved without delay. If existing vessel inspection or navigation laws prevent or delay this action they must be waived. This should be possi-

ble upon the request or recommendation of those officers charged with the prosecution of war if they deem such action necessary to accomplish the purpose. It is not possible to say what waivers will be required. Those officials charged with the conduct of the war should be allowed the greatest possible leeway with the realization that they assume a tremendous responsibility.

It is important that the views expressed in this letter be brought to the attention of the Congress, and every effort be exerted to have the original language of section 501 restored to the bill in the House. This Department stands ready to serve you in any way that you may deem proper to secure the passage of the original language of section 501.

Sincerely yours,

JESSE H. JONES,  
*Secretary of Commerce.*

That Executive order, as I remember it, was signed by the President immediately after war was declared in order to enable us to get boats to and get material out to Pearl Harbor. In other words, we could not act promptly with the tremendous and enormous number of inspections; I do not call them red tape, but complicated inspections necessary to cover any boat going out. You just cannot do it if you want to get quick action. This bill takes care of just such an emergency. The Secretary of Commerce goes on and says, "That order is clear cut and workable." The order is here. I am going to refer to it in a moment. That is the order that we took over to the President right after our entry into the war.

Vessels transporting men and materials urgently needed in the prosecution of the war must be moved without delay. If existing vessel inspection or navigation laws prevent or delay this action they must be waived. This should be possible upon the request or recommendation of those officers charged with the prosecution of war if they deem such action necessary to accomplish the purpose. It is not possible to say what waivers will be required. Those officials charged with the conduct of the war should be allowed the greatest possible leeway with the realization that they assume a tremendous responsibility.

It is important that the views expressed in this letter be brought to the attention of the Congress, and every effort made to have the original language of Section 501 restored to the bill in the House. This Department stands ready to serve you in any way that you may deem proper to secure the passage of the original language of section 501.

The CHAIRMAN (Mr. Sumners). With the permission of the chairman of the subcommittee let me ask a question and see if we can get straightened out. Assuming now that General MacArthur wanted to come back to the States in a hurry. And suppose there were some vessels in a port available; do you mean we could not get them out until all these other gentlemen would say there had not been any yellow fever around?

Mr. BIDDLE. That is exactly it.

The CHAIRMAN. These inspection laws have to do with health and sanitary conditions, and so forth.

Mr. BIDDLE. You have to paint the name on the bow.

As to this Executive order I have grave doubt—

The CHAIRMAN (interposing). This is an awfully smart committee. I think we can get through with this pretty quickly.

This inspection waiver thing you want for war purposes. You want to use a boat to get some people out and you do not want to have to await the consent of all these various governmental agencies to see if there are any bedbugs in the boat.

Mr. BIDDLE. That is exactly it.

The CHAIRMAN. Is that all you want?

Mr. BIDDLE. That is all.

Mr. MICHENER. Let me see. Organized labor has been fighting for 25 years for the very thing you are waiving. It is one of those social gains we are told must not be lost. It is a question of safety, and are not the men who are going out in these ships entitled to some protection other than the momentary judgment of possibly a second lieutenant who might be temporarily in command.

This is a thing that must be approached carefully. I would go a long way, but this will arouse a lot of comment if we just write a point-blank waiving of inspection and safety laws. You might just as well say, "All safety laws are abandoned or waived in the discretion of the individual who happens to be in authority at the time." It is a very serious matter.

Mr. BIDDLE. It is not quite that, Mr. Michener. It is the Secretary of War and the Secretary of the Navy.

Mr. MICHENER. He is not there and does not know anything about it.

Mr. BIDDLE. But you have got to get it from the Secretary of War and the Secretary of the Navy.

They say putting up with danger that confronts you is far wiser than fleeing from those you do not know anything about, but if a fellow has got a bayonet coming at you from behind you will jump.

I think during this period of emergency you can waive these laws during an emergency. That waiver is made by two Cabinet Officers. It may be made by the Secretary of the Navy going to Secretary Jones and saying, "We have to get these boats out. Nothing can hold these boats up. They have got to sail at once."

I think we are all very much concerned with letting down the bars. The necessity for doing so may arise at any time. General MacArthur is a grand example of it.

Mr. ROBSION. May I make an inquiry, General? It says "the Secretary of Commerce is directed to waive upon the request of the Secretary of the Navy."

Mr. BIDDLE. Yes.

Mr. ROBSION. Would that request come as a blanket waiver, or does your statement indicate you would wait until some particular emergency and the Secretary of the Navy would request the Secretary of Commerce to waive then? Would this permit the Secretary of Commerce to waive before an emergency arose?

Mr. BIDDLE. Either could be done. I would prefer to have Mr. Jones speak as to that.

Mr. ROBSION. When we do that we would logically give power to the Secretary of War.

Mr. KEFAUVER. It says "to the extent deemed necessary."

Mr. BIDDLE. Yes.

Mr. ROBSION. Then they would supplant Congress.

Mr. MICHENER. If this bill becomes law and the Secretary of Commerce can waive inspection it is well to formulate certain rules and regulations. We could not help General MacArthur over there now. Certainly we should have some rules and regulations as to the powers granted to certain agencies or persons in their discretion.

Mr. BIDDLE. That is right.

Mr. MICHENER. And we just want to know why we are doing that. We are not going to pass on each case. This is going to be



an Executive order, as you suggested, for which there is no authority, but it is accepted because of necessity after Pearl Harbor.

Mr. BIDDLE. I would conceive the way the thing would happen would be that General MacArthur would cable for a boat and then that waiver would come.

I would like to have the Secretary of Commerce explain this if you have any doubt about it. It may be that further restriction is needed.

Mr. McLAUGHLIN. In this war situation it will be necessary that ships move rapidly from port for military and naval purposes?

Mr. BIDDLE. That is right.

Mr. McLAUGHLIN. And under existing law they cannot move rapidly because of inspection?

Mr. BIDDLE. That is true.

Mr. McLAUGHLIN. If this bill is passed it will permit the ships to move rapidly?

Mr. BIDDLE. Yes.

Mr. McLAUGHLIN. If the bill is passed in the form in which the Senate has passed it so far as this title is concerned you are fearful that the movement of the ships will be delayed?

Mr. BIDDLE. That is it, precisely.

Mr. McLAUGHLIN. Very much the same way in which they are being delayed now.

The CHAIRMAN. You could get an inspection before you got permission to move?

Mr. BIDDLE. That is right.

Mr. ELIOT. Was this language put in by the committee in the Senate, or from the floor.

Mr. BIDDLE. No; it was on the floor.

Mr. O'HARA. It was originally an amendment offered by Senator Vandenberg, and then Senator O'Mahoney consented to the amendment.

Mr. McLAUGHLIN. It is your position that the bill in the form suggested be passed?

Mr. BIDDLE. It is.

The CHAIRMAN. I suggest we had better move along.

Mr. ROBSION. Before you leave that, I am concerned about the Secretary of Commerce making a general waiver in advance and then leaving it up to the Secretary of the Navy as to whether you are going to wait for each instance.

Mr. BIDDLE. No; I think it gives a broader power or powers, but I think in each case you must go through the mechanism of lifting any particular inspection.

The CHAIRMAN. In other words, in these times you think it is good to vest reasonable discretion in the Secretary of Commerce?

Mr. BIDDLE. I do.

Mr. MICHENER. This is just done after Pearl Harbor?

Mr. BIDDLE. That is right.

Mr. MICHENER. We are dealing with an almighty important thing and if we are going to send the boys out to sea in any kind of ship we ought to at least know about it.

Mr. BIDDLE. The President can do this under his emergency powers, but he prefers to have Congress do it by statute.

Mr. MICHENER. The President proposes that the responsibility be on Congress.

Mr. McLAUGHLIN. At this point in the record I should like to insert a letter addressed to the chairman of the Judiciary Committee by Congressman Bland, chairman of the Merchant Marine and Fisheries Committee of the House, in which he explains H. R. 5111, and the terms and conditions which were inserted in the Senate was passed by the House after having been favorably recommended by his committee, but he is opposed to the inserts in the bill as they were inserted in the Senate, and asks that the bill be reported favorably in the form in which the bill was when introduced in the House. (The letter referred to is as follows:)

LETTER FROM HON. S. O. BLAND, CHAIRMAN OF HOUSE COMMITTEE ON THE  
MERCHANT MARINE AND FISHERIES

HOUSE OF REPRESENTATIVES, UNITED STATES,  
COMMITTEE ON THE MERCHANT MARINE AND FISHERIES,  
Washington, D. C., January 29, 1942.

HON. HATTON W. SUMNERS,

*Chairman, Committee on the Judiciary,*

*House of Representatives, Washington, D. C.*

DEAR HATTON: The Committee on Merchant Marine and Fisheries met today to consider title V of H. R. 6403 which is identical with title V of S. 2208 as the bill was introduced, and title IX of the bill (H. R. 6403) which is identical with title IX of S. 2208 as introduced.

These titles are clearly within the jurisdiction of the Committee on the Merchant Marine and Fisheries, but the committee is raising no question of jurisdiction in connection with these particular titles. The committee authorized me to make that statement, however, with the expressed declaration that the committee in no way waives or relinquishes its jurisdiction over the subject matter of these titles, but only for the consideration of those titles in these particular bills by the Committee on the Judiciary.

The committee authorized me to say also that the committee was of the opinion that title V of the two bills should be enacted into law as originally introduced.

Title V of the bill, S. 2208, as amended in the Senate and as passed by the Senate is identical with the bill H. R. 5111, as amended in the Senate. This bill, H. R. 5111, as amended by the Senate, has been pending on the Speaker's desk, but the committee directed me today to request that H. R. 5111 as it passed the Senate should be referred to the Committee on the Merchant Marine and Fisheries, and I understand that this action will be taken today. It is not contemplated by my committee to consider the bill further as it is believed by the committee that the bill as originally reported out by this committee and as passed the House is not now practical or workable. The bill was reported out before the existence of war. I was directed to advise the Committee on the Judiciary that the bill H. R. 5111, as approved by the Senate, would be more unworkable and impracticable than the bill as originally reported by this committee and as passed by the House.

Inasmuch as title V of S. 2208 as it passed the Senate is identical with the Senate amendment to H. R. 5111, except as to the time for the termination of the legislation, the Committee on the Merchant Marine and Fisheries urges that the original language of title V in S. 2208 and H. R. 6403 should be restored.

I should say, further, that the language of title V of both bills as introduced is similar to Executive Order No. 8976 issued by the President on December 12, 1941, and appearing in volume 6 of the Federal Register, No. 244, page 6441, issued on December 17, 1941.

If there is any way in which I can cooperate with the Committee on the Judiciary in securing the desired result, I shall be glad to be informed.

Yours very sincerely,

S. O. BLAND, *Chairman.*

Care of Hon. Charles F. McLaughlin, House of Representatives, Washington, D. C.

P. S.—Full information as to the necessity for this legislation can be obtained from Commander R. S. Field, Director of the Bureau of Marine Inspection and Navigation, Department of Commerce.

Mr. HOBBS. In other words, you and Mr. Bland are in accord?

Mr. McLAUGHLIN. Exactly.

We come now to title VI.

Mr. BIDDLE. Title VI is a waiver of the Tabor amendment. You will find it on page 10. Would you like me to refer to the Tabor amendment? I think you are all familiar with it.

Mr. McLAUGHLIN. I think for the purpose of the record you might do so.

Mr. BIDDLE. The Tabor amendment was an amendment to the act of October 16, 1941, which authorized the President to requisition property and then provided that nothing contained in the act should be construed to authorize the requisitioning of any machinery or equipment which is in actual use in connection with any operating factory or business and which is necessary to the operation of such factory or business. In other words, the language of the Tabor amendment making that proviso is dropped out of the requisitioning statute.

I would like, without reading them, to introduce the examples given before the Senate committee with respect to individual owners refusing to give the Government such machinery as they wished in certain specific plants. I am not going to read them, but with your permission, would like to introduce them in the record as two exhibits on page 25 of the Senate report.

Mr. McLAUGHLIN. We will be glad to receive them.

Mr. O'HARA. I think, General, you also want to refer to page 26.

Mr. BIDDLE. Yes; pages 25 and 26. Thank you, Mr. Congressman.

(Following are the documents requested to be inserted in the record:)

The ——— Machine Works, Inc., of Norfolk, Va., are the owners of a 96-by-18-foot Gould & Eberhardt gear cutter with hobbing attachment. The owners definitely refused to sell or lease this machine, when they were asked to do so by Mr. ——— of the Office of Production Management. This Government wanted the machine tool for the manufacture of parts for ships' turbines, or parts for antiaircraft guns. The company has no defense work whatever on this machine. They make lumber machinery. They state that making this machine available to the Government would have the effect of putting them out of business. It was explained that they could get their gears cut by some outside concern, in view of the very small volume of gear cutting that they were using the machine for. They refused to do this.

By not having the requisitioning power, it was not only impossible to requisition the machinery, but it eliminated the possibility of being able to obtain such machinery by consent, since the ultimate power was not vested in the Government to take it, if necessary, under the law.

Mr. ———, Jersey City, N. J., manufactures of refinery equipment, piping, and chimneys, has three 42-inch King vertical boring mills, being used 35, 35, and 1.8 hours per week, respectively, on nondefense work. One of these mills could do the work now being done by all of them if it was worked overtime. No demand has as yet been made on the ——— Co. because we have no power so to do at present.

OFFICE OF PRODUCTION MANAGEMENT,  
Washington, D. C., December 31, 1941.

Mr. ———,

*Special Assistant to Secretary of War, Washington, D. C.*

DEAR MR. ———. Confirming my telephone conversation with you today I am attaching herewith a verbatim telephone conversation I had with Mr. ———, president of ——— Engineering Works, Milwaukee, Wis. My secretary, Miss ———, took the whole conversation down in shorthand from an extension telephone.

The ——— Engineering Works have two vertical boring mills, one 96 inches in diameter and one 84 inches. He operates his plant on a single-shift basis.



His total plant hours are 55 per week. He stated that he did not want any more work when one of our men interviewed him. The gist of my conversation was that if he sold one of these machine tools and worked the other on a three-shift basis he would be able to accomplish just as much work. The testimony proves that he refuses to sell even one machine unless he is compelled to do so.

I hope this testimony will be of some help to you and in the meantime, if I am able to find any others who are unable to get the full capacity from their machine tools and also refuse to sell or lease them, I will forward the information to you immediately.

Very truly yours,

\_\_\_\_\_  
Staff, Production Division.

TELEPHONE CONVERSATION BETWEEN MR. \_\_\_\_\_, \_\_\_\_\_ ENGINEERING WORKS, MILWAUKEE, WIS., AND MR. \_\_\_\_\_, PRODUCTION DIVISION, OFFICE OF PRODUCTION MANAGEMENT, WASHINGTON, D. C.

Mr. \_\_\_\_\_. Hello, Mr. \_\_\_\_\_—this is Mr. \_\_\_\_\_, O. P. M., Washington, D. C. One of our men was around to see you a short while ago, and he found that you have some vertical boring mills there and that you are working just one shift, 5½ hours a day, a total of 55 hours a week. Is that correct?

Mr. \_\_\_\_\_. That is correct.

Mr. \_\_\_\_\_. We would like to have you do some defense work.

Mr. \_\_\_\_\_. We haven't the men. We are trying to get men. We have put on quite a number of learners.

Mr. \_\_\_\_\_. We wonder what you are doing with tools like that unless you are working 168 hours a week. Those two tools are on our critical list. It takes a year to build them, in other words, to make delivery. The whole country is very short of that particular machine, and we—

Mr. \_\_\_\_\_. We are running all of the capacity of equipment and men.

Mr. \_\_\_\_\_. Could you thin your men out? Take a good man and have him supervise a shift.

Mr. \_\_\_\_\_. We haven't men of that quality and we can't get them. We are putting learners on our machines.

Mr. \_\_\_\_\_. Do you think there is any possibility of putting on another shift very soon?

Mr. \_\_\_\_\_. It takes time.

Mr. \_\_\_\_\_. Any idea when?

Mr. \_\_\_\_\_. It depends on—you see we are working on big castings from 500 pounds to 1,000 pounds apiece. You cannot put learners on that kind of thing.

Mr. \_\_\_\_\_. I agree to that. You are not doing direct defense work.

Mr. \_\_\_\_\_. We have no direct contracts from the Government.

Mr. \_\_\_\_\_. Would you be willing to sell or lease one of these machine tools? You have two and if you sold one and worked the other three shifts, why you would still have just as much tool capacity.

Mr. \_\_\_\_\_. That would just wreck the business design for our equipment.

Mr. \_\_\_\_\_. You understand my point. You are only working the one shift.

Mr. \_\_\_\_\_. I cannot work any more.

Mr. \_\_\_\_\_. Sell or lease one machine tool and shift men over to double or three shifts.

Mr. \_\_\_\_\_. That would not work very well. We want to help. If you talk to my superintendent—this shop is different from a production shop. We cannot have a success from any one man doing the same piece over and over again. We have to have mechanics.

Mr. \_\_\_\_\_. I want to ask—would you lease or sell one of these machines?

Mr. \_\_\_\_\_. Not unless I was compelled to. Of course, I realize the Government has the power to requisition—

Mr. \_\_\_\_\_. No; we don't. Would you be willing to sell or lease one of those machines?

Mr. \_\_\_\_\_. Not unless I was compelled to.

Mr. \_\_\_\_\_. Those particular machine tools are so scarce that we have to go to these lengths.

Mr. \_\_\_\_\_. But do you realize we are working on 85 percent A-1-a orders. The Pacific Naval Air Base contract is one, and we are working all the time for faster delivery.

Mr. ———. I have to ask you these questions.

Mr. ———. We are in a different position from the ordinary shop. We have to have a higher percentage of labor. If we could get it we would start a night shift. Only a question of getting labor.

(Taken in shorthand by Miss ———.)

Mr. BIDDLE. Shall I spend any more time on that title? If not, with the chairman's permission I will go on to title VII, which as you probably know is the amendment to the Hatch Act.

The Senate made some alterations in our original draft found on page 10, title VII, but we think it covers the main purpose.

The main purpose of the amendment is to take out from under the Hatch Act persons working in O. C. D. at \$1 a year or without compensation, and the rationing boards. It takes out boards of review without compensation reviewing cases of apprehended aliens. The language here I would like to emphasize does not apply to a part-time officer or part-time employee without compensation or with nominal compensation serving in connection with the existing war effort.

Mr. KEFAUVER. Mr. Attorney General, as I read this amendment it does not exclude those working as members of Selective Service on the boards.

Mr. BIDDLE. It excludes Selective Service. It does not take out of the Hatch Act members of Selective Service.

Mr. KEFAUVER. I think it ought to.

Mr. BIDDLE. I think so, too.

Mr. KEFAUVER. A man working on a selective service board, what does he make or get?

Mr. BIDDLE. Nothing.

Mr. KEFAUVER. I do not see why they should be precluded in taking part in political activities.

Mr. BIDDLE. That was very vigorously fought in the Senate.

Mr. O'HARA. Yes; it was.

The CHAIRMAN. Yet a fellow who is just a little municipal employee cannot do it.

Mr. ROBSION. The \$1-a-year man may have a million dollars' worth of contracts. Here is a fellow who works on the roads and cannot be active, and the \$1-a-year man might be dangerous.

Mr. BIDDLE. Shall I proceed, Mr. Chairman?

Mr. McLAUGHLIN. Yes; go ahead.

Mr. BIDDLE. Title VIII provides employees' compensation for persons working as fire wardens and persons engaged in the protective services of the Office of Civilian Defense.

Mr. HANCOCK of New York. Does that title take care of the volunteer firemen around the country who are injured in civilian defense? I have had a few letters as to that.

Mr. BIDDLE. It depends on how they are employed.

Do you mean volunteer firemen employed by the Office of Civilian Defense?

Mr. HANCOCK of New York. No; I mean employed by villages and towns.

Mr. BIDDLE. Oh, no. They have to be employed by the Federal Government before they can get the benefit of the Federal Government's Employees' Compensation.

Mr. MICHENER. We are going to cover in this Office of Civilian Defense all local firemen ultimately, are we not?

Mr. BIDDLE. Yes; we may, but that is an administrative matter.

Mr. MICHENER. That is what I am getting at. The program is to blanket in all these various agencies. We are going to have 99 percent of 100,000,000 people who are going to be in the Office of Civilian Defense.

Mr. BIDDLE. Yes; but the compensation will be limited as to scope by activities performed for the Federal Government.

Mr. ROBSION. Every man receiving less than \$100 for compensation purposes should be regarded as receiving \$100 a month. That would take in everybody, would it not?

Mr. BIDDLE. They are not compensated by the Federal Government.

The basis of that compensation was taken on the \$100 a month.

Mr. ROBSION. Even if you get \$5 a month?

Mr. BIDDLE. They are not getting anything. But in order to determine what they should get if they are injured you have to have some theoretical base, so therefore you have to have a minimum.

Mr. ROBSION. Who will be taken in by this?

Mr. BIDDLE. The persons who will be taken in? Any persons who are in the protective service engaged in the civilian defense and appointed by the Government.

Mr. ROBSION. What is contemplated—1,000 or 100,000; 1,000,000 or 10,000,000?

Mr. BIDDLE. I think now there are about 30,000 air raid wardens.

Mr. ROBSION. They will come under this?

Mr. BIDDLE. Absolutely.

Mr. ROBSION. You have made a study of it. How many will likely come under it?

Mr. BIDDLE. It would be very difficult to say. It is continually expanding and growing. I could not tell you that.

Mr. ROBSION. It will likely run into millions, won't it?

Mr. BIDDLE. No, not millions. I think thousands.

Mr. ROBSION. It has already run up to thousands.

Mr. BIDDLE. The purpose of the title is if a man is engaged for nothing for Uncle Sam and is injured in an air raid he ought to get compensation.

Mr. McLAUGHLIN. It is necessary, there being a basis for compensation.

Mr. BIDDLE. Yes; and we have taken that low basis for compensation.

Mr. McLAUGHLIN. I think that is clear.

Mr. ROBSION. Suppose he is a volunteer. Anybody can get in, can't he?

Mr. BIDDLE. No; he has to be appointed by a member of the Government.

Mr. MICHENER. Did we have the first proposition as to whether O. C. D. was to be carried on by the Red Cross, and it was determined to make it a part of the Government?

Mr. BIDDLE. That is right.

Mr. MICHENER. Now, we have no idea of the number to be included. The sky is the limit, whatever is necessary to protect the country.

Mr. BIDDLE. Yes; to protect the country.



Mr. HOBBS. Did I understand you to say that the Federal Government was not going to pay this compensation?

Mr. BIDDLE. No; the title authorizes the Federal Government to pay compensation to its employees engaged at \$1 a year or nothing at all on the basis of \$100 a month.

Mr. McLAUGHLIN. The next is title IX.

Mr. BIDDLE. The next title is title IX, Protection of War Industries Subject to Seasonal Hazards of Forest Fires.

That of course is a very useful title. We are very scarce on guards now for bridges and plants. It will be very good to use some of these C. C. C. boys in work of this kind.

Probably this could be done by an Executive order, but we can do it this way just as well perhaps.

There is one thing which should be amended. Mr. Chairman, make a note of this, please.

Mr. McLAUGHLIN. What page?

Mr. BIDDLE. This is on line 17, page 12, where the words "subject to the hazards of forest fires" I think should come out because they obviously define the entire section and would limit the applicability of the section to those hazards, and I think they are unnecessary, and I would stop after the word "resources."

Mr. O'HARA. And may I suggest that identical language be stricken out of the title?

Mr. BIDDLE. You are quite right. That should be stricken out.

Mr. O'HARA. You want the right to use wherever needed?

Mr. BIDDLE. That is right.

Mr. KEFAUVER. There is a proposed merger of the N. Y. A. and the C. C. C.

Mr. BIDDLE. Has it been signed as yet?

Mr. KEFAUVER. I do not know of it. But after consolidation what would it be called?

Mr. BIDDLE. Might I make a note of that? I just do not know.

Mr. KEFAUVER. I wondered if it might be well to have it under any agency under which this is termed.

Mr. BIDDLE. I think it would be very wise.

Mr. HANCOCK of New York. That would follow without any agency anyway, would it not?

Mr. BIDDLE. I think it would.

Mr. McLAUGHLIN. Just to complete the record, S. 2208 as originally reported out carried title IX, which was "Shipping on the Great Lakes." Was that eliminated?

Mr. BIDDLE. A bill has already been passed by the Senate as to that.

Mr. McLAUGHLIN. Objection was made to this title in the Senate by Senator Brown and the objection was quoted. This title has been stricken from the bill?

Mr. BIDDLE. Yes.

Mr. McLAUGHLIN. Very well. Take up title X.

Mr. BIDDLE. Title X; this is giving free postage for soldiers, sailors, and marines.

Mr. McLAUGHLIN. Go ahead, General.

Mr. BIDDLE. If I may say a word with reference to title XI, "Naturalization of persons serving in the armed forces of the United States during the present war," this is drafted on a similar bill which we had in the last war.

Mr. O'HARA. Pardon me, General. Didn't you skip the postage, "Free postage for soldiers, sailors, and marines"? I think that is very important.

Mr. BIDDLE. No. That is merely free postage for soldiers, sailors, and marines.

Mr. O'HARA. It covers everybody, whether in this country or across?

Mr. McLAUGHLIN. There is this comment to be made on that, or this observation: The original bill, I believe, provided as in the case of the last war for free postage to soldiers and sailors serving abroad.

Mr. BIDDLE. That is right.

Mr. McLAUGHLIN. The amendment in the Senate provided for free postage to all soldiers and sailors whether serving in this country or abroad.

Mr. BIDDLE. That is right.

Mr. McLAUGHLIN. Would there be any question about the propriety of that from the standpoint of administration?

Mr. BIDDLE. I think I will, with your permission, draw this matter to the attention of the Postmaster General. I do not know whether he would have some revenue objection or not.

Mr. McLAUGHLIN. I am sure we are all interested in that.

Mr. BIDDLE. I will ask him to write a letter to you, Congressman, covering that point.

Mr. McLAUGHLIN. Very well.

Mr. BIDDLE. I was touching on the next title, which is XI. This is almost identically based on legislation we had in the last war. It provides for the method of naturalization. It is to be done in every instance in court, except where the applicant is in such territory where there is no such court. He might be abroad or in the A. E. F., and in those instances he may be examined by an examiner appointed by the Commissioner.

Mr. GWYNNE. I think of a young man who would like to get in the Air Corps. Would this take care of that situation?

Mr. BIDDLE. No; it does not.

Mr. O'HARA. I am very interested in that very problem right now.

Mr. BIDDLE. I am, too.

Mr. Cox. Once this statute was passed it might be an additional ground to find out whether a man has taken out his first papers, and you ought to be better able to check up on him and see whether he is a safe fellow or not a safe fellow.

Mr. GWYNNE. I have a young man from my district who speaks five languages fluently. He has had a world of experience. He wants to go in the air service, and they won't take him.

Mr. Cox. Under the new courses in the Navy you can enter particular services, but you cannot become a deck officer unless you were born here. It is mainly a matter of departmental regulation.

Mr. McLAUGHLIN. In certain activities they won't take them at all.

Mr. BIDDLE. Mr. Chairman, I think it is just a mistake, but on page 14, line 23, it refers to "this act." This act would in the context refer to the Immigration Act, which is being amended. And "this act" should be stricken out, and the words "the Second War Power Act" should be written so as to make that clear. That was an oversight.

As the time is limited I shall not spend more time on that provision, which you will have an opportunity to study, and I shall come on to the next one.

The next title is "Acceptance of conditional gifts to further the war program, title XII." This is proposed by the Treasury Department.

The Treasury Department has a representative here, Mr. Spingarn. They were anxious to have it perfectly clear that the Treasury could accept and deal with gifts of money and property in a more flexible way. Under this title the Treasury is authorized to accept a gift conditional on use for a certain purpose by lumping it first into a special fund, which is set up for that purpose, and then placing it in the existing congressional appropriation which will most nearly effectuate the intent of the donor.

The Treasury has received thousands of gifts since Pearl Harbor, most of them with an indication by the donors that they are to be used for some war purpose.

This title will permit the Treasury to accept these gifts, and, with a minimum of administrative difficulty, use them in a way that will please the donors. I think it is a very constructive piece of legislation.

Mr. McLAUGHLIN. The Government is not permitted to accept restricted or qualified gifts?

Mr. BIDDLE. That is right.

Mr. McLAUGHLIN. And it has to put the money or goods into a special fund?

Mr. BIDDLE. Yes; and from there into the most appropriate appropriation. It gives them that discretion.

Mr. HANCOCK of New York. Would that apply to the Coast Guard? I have a constituent who wants to turn over his yacht for patrol work on Lake Ontario, as well as his cottage to house the patrol.

Mr. BIDDLE. Oh, yes; any gift. Congress, however, recently passed a special bill authorizing the Coast Guard to accept boats.

Mr. GWYNNE. General, this ought to be permanent legislation, don't you think?

Mr. BIDDLE. Yes.

#### STATEMENT OF STEPHEN J. SPINGARN, SPECIAL ASSISTANT TO THE GENERAL COUNSEL, TREASURY DEPARTMENT

Mr. SPINGARN. Mr. Chairman, with your approval I wish to put in the record some up to date figures and information on gifts to the Government for war purposes. This is for the information of the committee in connection with its consideration of title XII of the bill which authorizes the Treasury to accept conditional gifts. The provisions of title XII were prepared by the Treasury Department.

Since the Pearl Harbor attack many thousands of persons have made donations of money and other property to the Government to be used in the war effort. From December 14, 1941 (when the avalanche of gifts began), to January 24, 1942, about \$305,000 in donations have been received by the Treasury. This is exclusive of stocks, old gold (in the form of wedding rings, gold watches, collections of old foreign coins, and even gold bridgework), and offers of property



where the value, if any, has not been ascertained. These donations (which are at the rate of about \$3,000,000 a year) came from about 15,000 individual donors. They have come from individuals, schools, fraternal organizations, labor organizations, groups of citizens, and employees of various companies who, in many cases, donated 1 day's pay, which was matched by the Government. The individual donations vary in size from a few cents to many thousands of dollars.

The rate at which these donations have come in since the Pearl Harbor attack can be better appreciated when it is realized that from June 1940, the beginning of the defense program, until the Japanese attack on December 7, 1941, a period of about 18 months, the Treasury received only about \$45,000 all told in gifts. In other words, the rate of donation since the Pearl Harbor attack has been about 100 times the rate during the preceding year and a half. The donors of a large percentage of the gifts that are being received now ask that they be used for bombers, submarines, munitions, or other war purposes.

The following memorandum prepared in the Treasury collects a few samples of the more interesting letters enclosing gifts which the Treasury Department has received. As you will see, they differ greatly in style and amounts donated, but they all evidence a very splendid spirit of patriotism:

TREASURY DEPARTMENT,  
FISCAL SERVICE,  
*Washington, January 20, 1942.*

Memorandum to Mr. Spingarn:

The following are a few typical cases in connection with donations to the United States for national defense:

FROM A BOY IN FLORIDA

"DEAR PRES. ROOSEVELT:

"First of all, I am 8 years old and I go to publick school.

"Sekond of all, I am sending you 15 cents my mother gave me for the movies so that you can use it to help build a ship so you can lick Japan.

"Now for the important thing, I saw this newspaper (full page advertisement 'Don't wait—Volunteer! Your Navy needs you now') today when I was looking for the joke, and was thinking, that if you would let a little boy like me join the Navy, then I could go on U. S. S. *Barry*, where by daddy is an officer. In this way I could see my daddy, who I have not seen for more than a year, and I could help the Navy, see. If you think my idea is a good one, please let me know?"

FROM A BOY IN CALIFORNIA

"DEAR MR. PRESIDENT: I hope you have had a merry Christmas. My name is Allen ———. I am 11 years old and go to ——— School.

"And now to get down to business. I am sending you a dollar for defense. I cut lawns now and then and make a few cents. I wish I could send more. I live near to the fort, and I help soldiers up on the hill. I bring them books so that they can read them in their spare time. I am not saying what I do when I help the boys, because I believe in keeping military secrets.

"I am too young to join the Army or the Navy. My brother is in the R. O. T. C. but he is too young to join. My father served in the Marine Corps in World War No. 1, and my mother is helping by buying defense bonds.

"Let's hope for a big victory.

"I just know that we can lick those Japs.

"Please put my dollar for buying an airplane to bomb the Japs."

## FROM A CHINESE LIVING IN MONTANA

"Enclosed is money order for \$25. Is my humble donation to help kill the Japs. My heart she is full for the cause of the United States; you spend money where it do most good. Me buy bonds later.

"Your obedient servant."

## FROM A FARMER IN OHIO

"UNITED STATES TREASURY,

*Washington, D. C.*

"GENTLEMEN: Enclosed please find my soil-conservation check for 1941.

"Please apply to whatever fund you wish to and receipt me for same. I don't need it as bad as my Uncle Sam."

## FROM A SMALL BOY IN CALIFORNIA

"PRESIDENT ROOSEVELT.

"DEAR SIR: I am 8 years old and I want you to send some bullets to Gene Autry. He will get Hitler and the Japs. He is the best friend I have. He is the best one you can get to win the war. Please, President Roosevelt, will you send him two bullets now. Momma said one dime make one bullet. I will send you more money again. I love you for you are my President. When I am big I will be a soldier. I wish you a very merry Christmas. I will pray for you and Gene Autry every night. God bless you. I love you."

## FROM A COAL COMPANY IN KENTUCKY

"Hon. HENRY MORGENTHAU, JR.,

*Secretary of the Treasury, Washington, D. C.*

"DEAR SIR: Enclosed is a check of the ——— Coal Co. amounting to \$2,378.75, representing the entire proceeds from the sale of coal produced in the mines of the ——— Coal Co at ———, Ky., on January 7, 1942.

"The employees of the ——— Coal Co., desiring to take a direct part in the war effort, have donated a day's work. Every employee throughout the organization, at the mines, the general office, and the sales force have contributed the day.

"The ——— Coal Co. in order to cooperate and foster the spirit, gave the coal, and sold it through its regular channels and to its regular patrons and hereby send you the enclosed check representing the gross revenue without deductions as the total return from the labor given by the employees.

"There have been many expressions as to the use it should be put, but it is sent with the consent of all without any restrictions except that it is the desire that it be used in direct war production.

"We wish also to assure you that our company and the community is behind your war effort 100 percent and will remain so until the successful conclusion of the war."

## EXCERPT FROM A LETTER FROM A COMPANY IN NEW YORK

"The PRESIDENT,

*Washington, D. C.*

"DEAR MR. PRESIDENT: Shortly after the outbreak of war several of our employees came to me with the suggestion that they work an extra day and give that day's pay to the Government. The idea was received by the rest of the employees with real American enthusiasm. Sunday, December 28, was the day decided upon.

"Our company has put the equivalent of another day's pay with the employees' wages of \$2,112.87, and our check in the amount of \$4,225.74 is enclosed, to be used wherever your good judgment dictates to help us win the war."

\* \* \* \* \*

L. L. COLLIE,

*Chief, Division of Bookkeeping and Warrants.*

Mr. HOBBS. Let us get to title XIII.

Mr. BIDDLE. There is a typographical error on page 18, line 25; the word "volume" is misspelled. It is the first word on line 25 on page 18.

There is another typographical error in that section. It is on line 19, the second word from the end; the word "Act" should be "title." It is not "this Act"; it is "this title."

Mr. McLAUGHLIN. The question has been asked about the word "volume." In the copy I have it appears to be properly spelled "v-o-l-u-m-e."

Mr. BIDDLE. In the copy I have it is "volumn."

Mr. McLAUGHLIN. I have a statement which has been handed to me in connection with this title XIII, which I submit for the record, as follows:

(The statement referred to is as follows:)

STATEMENT REGARDING TITLE XIII, SECTION 1301, OF S. 2208, CONCERNING THE COMPOSITION OF THE 5-CENT PIECE

On Wednesday afternoon, January 28, 1942, the Senate passed the Second War Powers Act, S. 2208, title XIII of which relates to changing the alloy content of our 5-cent coins. The first sentence of section 1301 provides:

"SECTION 1301. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this act and prior to December 31, 1946, to be one-half silver and one-half copper; *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals to a volume not to exceed 10 percent of the total content thereof if such action would be in the public interest."

As originally drawn, this sentence ended after the words "one-half copper." As soon as the industries concerned heard of this proposal through newspaper reports on January 21 they tested samples of the new alloy and called to the attention of Senator O'Mahoney, chairman of the Senate Judiciary Committee, and of the Assistant Director of the Mint the fact that a 50-percent silver and 50-percent copper 5-cent coin would make over one and one-quarter million coin-controlled candy-, gum-, cigarette-, sandwich-, beverage-dispensing, and other merchandising machines inoperative. This would occur because these dispensing machines use an electromagnetic slug detector to reject spurious coins and accept only nickels. Unfortunately, the 50-percent silver and 50-percent copper alloy does not have the same electromagnetic properties as existing nickels and, therefore, coins made of this alloy would be rejected in the same manner as slugs.

This would be a particularly troublesome situation in the thousands of Army, Navy, and defense establishments where the working personnel depend upon securing from these automatic dispensing machines energy-building food products during working hours, especially in overtime periods.

To correct this undesirable condition, Senator O'Mahoney offered the following amendment:

"*Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals if such action would be in the public interest."

This would have been satisfactory to all concerned, as it was flexible enough to enable a number of alloys to be made which would duplicate the electromagnetic properties of existing 5-cent coins, while still saving critical metals.

However, Senator Taft amended Senator O'Mahoney's amendment by adding "to a volume not to exceed 10 percent of the total content thereof," and the bill was passed in this form. Senator Taft's amendment nullifies the beneficial effect of Senator O'Mahoney's amendment because so far as is now known the addition of 10 percent of other metals will not make the new nickel duplicate the existing alloy's properties.

We feel, therefore, that it is in the public interest to strike out the words "to a volume not to exceed 10 percent of the total content thereof," in order to restore the wording to the original O'Mahoney amendment, and we respectfully request that such action be taken.

Mr. BIDDLE. Mr. Spingarn, Special Assistant to the General Counsel of the Treasury Department, would like to say a few words.

Mr. McLAUGHLIN. Very well, Mr. Spingarn.



Mr. SPINGARN. Mr. Chairman and gentlemen, I would like to say that with respect to the word "volume," it came into the bill in an amendment added by Senator Taft on the floor of the Senate to an amendment which Senator O'Mahoney had proposed, also on the Senate floor.

The proportions of the metals in coins is determined by weight and not by volume. The Treasury, therefore, would like an amendment at that point which would indicate that percentages are "by weight" instead of "by volume."

Mr. O'HARA. There are lots of people interested in this matter.

Mr. Spingarn. My specific suggestion is that after the word "metals" in line 24, page 18, to add a comma, and to strike out the three following words—

Mr. MICHENER (interposing). What page is that?

Mr. SPINGARN. Page 18. I wish to insert a comma and strike out the three words immediately following the word "metals," which now read "to a volume," and to add after the words "10 per centum" in line 25 of the same page the words "by weight," so that the proviso would read: "*Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals, not to exceed 10 per centum by weight of the total content thereof, if such action would be in the public interest."

Mr. McLAUGHLIN. Is there any controversy about that?

Mr. SPINGARN. There is none. I spoke to Senator Taft, the author of this amendment, this morning and he said that was perfectly agreeable.

Mr. KEFAUVER. That would not take care of the difficulty of these slot machine-minded people.

Mr. SPINGARN. That is quite a lengthy subject, Mr. Kefauver. Do you want me to go into that now?

Mr. KEFAUVER. Your amendment would not take care of that?

Mr. SPINGARN. No. My amendment is merely technical.

Mr. HOBBS. Does the amendment meet their objection?

Mr. McLAUGHLIN. I spoke to Mr. Spingarn about this matter. I think this is the situation with respect to this coin matter as it applies to nickels in coin machines: Senator O'Mahoney proposed an amendment which would vest in the Treasury Department the right to determine what amount of alloy should be incorporated with the copper and the silver in the proposed new 5-cent pieces.

Senator Taft proposed a substitute, or an amendment to the amendment which restricted the Secretary of the Treasury in the exercise of his discretion to a tolerance of 10 percent of any alloy.

Mr. SPINGARN. That is exactly right, Mr. Chairman. I do not know how you got the situation so quickly, as I explained it to you very hurriedly just before this hearing, but that is absolutely right.

Mr. McLAUGHLIN. Mr. Spingarn has stated to me, if I caught him correctly, that the Treasury Department has no objection to the O'Mahoney amendment.

Mr. SPINGARN. That is correct.

Mr. McLAUGHLIN. And if I understand it correctly, the people interested in the vending machines are of the opinion that if the limitation of discretion proposed by Senator Taft and accepted in the Senate

is retained it will handicap them in the working out of an acceptable coin for use in their vending machines for certain technical reasons, but that if the bill is passed in the form in which Senator O'Mahoney suggested his amendment they are of the opinion they will be able to work out an arrangement with the Treasury Department by which a certain solution can be reached and a new coin composed of the metals provided for in the act can be coined, which will be suitable for use in vending machines.

Mr. SPINGARN. That is my understanding. The present amendment, as added on the Senate floor, would not hold us to the hard and fast rule of 50 percent copper and 50 percent silver but would allow us this 10-percent tolerance. The vending-machine people want a greater tolerance.

Mr. McLAUGHLIN. That is acceptable to the Treasury Department?

Mr. SPINGARN. That is acceptable to the Treasury Department; yes. It would permit us to go ahead and experiment. Ever since Mr. Nelson told us some months ago that the need for nickel in war production was imperative, we have been experimenting. Eight hundred and seventy thousand pounds of nickel were used in the 5-cent piece last year. This bill would eliminate all of that as well as 870,000 pounds of copper, and make it available for war production.

Mr. McLAUGHLIN. If the O'Mahoney amendment is accepted instead of the Taft amendment, will the Government be able to save for war purposes substantially the same amount of copper and nickel as it will be able to save if the Taft amendment is adopted?

Mr. SPINGARN. The situation is simply this: With these amendments the Treasury will be able to go ahead as authorized and make further experiments.

Whether or not we can find a formula that will meet this vending-machine problem I do not know. And I may say that only one type of vending machine is involved. The new 5-cent piece will work all other types, including telephones and turnstiles.

Our experts have been working on this matter about 6 months, and have tried some 80 different formulas. They have been unable to find any as good as the 50 percent silver-50 percent copper formula in this bill, that is from the standpoint of the principal considerations involved: The elimination of strategic metals, the adaptability of the new coin to existing mint machinery and equipment, and its availability for use in coin-operated devices. With the O'Mahoney amendment in the bill the Treasury Department can go ahead and undertake further experiments to see if we can meet this vending-device problem without sacrificing other important characteristics.

Mr. MICHENER. The O'Mahoney amendment is by weight?

Mr. SPINGARN. No, Mr. Michener. That was the Taft amendment which incorporated the 10-percent restriction in the O'Mahoney amendment. It should be "by weight" though as actually put in it was "by volume."

Mr. KEFAUVER. Mr. Spingarn, if you cannot find some other metal, would not the difficulty of the vending machines go on? So as a practical matter it would not make any difference in the amount of nickel which would be saved whether the Taft amendment was in there or whether the original O'Mahoney amendment was left in the bill?

Mr. SPINGARN. I think that is true.

Mr. KEFAUVER. That would be your conviction?

Mr. McLAUGHLIN. Regardless of either of the amendments?

Mr. SPINGARN. Yes, sir; it would be unless we can find a better formula than the one in the bill which was the result of months of intensive experimentation.

Mr. KEFAUVER. And you want to find out whether some of these stainless alloys in some certain amounts will work with nickel?

Mr. SPINGARN. Senator O'Mahoney's amendment would give the Treasury's Mint Bureau the power to experiment further and see if a better formula can be found, and if so, adopt it. Senator Taft wanted to limit the discretionary power thus given the Treasury, a discretion, by the way, which we did not ask for, but which was given us by the O'Mahoney floor amendment. Incidentally, when I spoke to Senator Taft this morning he mentioned the fact that he would have no objection to the 10-percent restriction being raised to 25 percent. I see no reason why the Treasury should have any objection, either.

Mr. KEFAUVER. Do you see any reason why there should be any limitation?

Mr. SPINGARN. I hesitate to say anything about it. I do not have any strong feeling, one way or the other. It seems to be a matter for the legislative discretion.

Mr. HOBBS. Was Senator Taft trying to save the vending-machine industry?

Mr. SPINGARN. No. It was Senator O'Mahoney's original amendment that was for that purpose. Senator Taft's amendment was to restrict the broad discretion conferred by the O'Mahoney amendment.

Mr. HOBBS. Do you not think it is rather important that they be saved?

Mr. SPINGARN. I think it is important, if it can be done without sacrificing the even more important features of the new coin.

Mr. HOBBS. I think the Department of Justice should do something in relation to the stranglehold of International Nickel. That corporation seems to have a perfect monopoly, preventing all competing production. We can get all the nickel we want just as quickly as we want it, but I do not know how to do it. I imagine Mr. Thurman Arnold could stop the unfair practice of monopoly. It is the same way with respect to copper. I hope they can do something along that line also.

Mr. BIDDLE. I only have one more title, which is title XIV. That broadens the right of the Government to inspect the books of contractors. This is very important. We had an experience last year with the famous *Bethlehem ship case*, where they made 8 percent and in addition \$15,000,000, which is still being argued in the Supreme Court. It is absolutely essential that the Government have entree to the books of contractors.

On page 21, line 19, the word "subpoena" is misspelled.

Mr. GWYNNE. May I ask a question there? Is there anything being done to extend the statute of limitations?

Mr. BIDDLE. I sent in a draft day before yesterday. I was particularly interested in it to extend during the war. I hope very sincerely your committee will push it very vigorously. I think it is most important.



Mr. HANCOCK of New York. In connection with this limitation, should not there be some limitation on the brokerage fees we hear about?

Mr. COX. There was an Executive order issued under the first war power bill dealing with Government contracts for war purposes, which required an affidavit stating whether or not any brokerage fees or commissions have been given.

Mr. BIDDLE. We are working in cooperation with the Truman committee in respect to letting contracts. We are digging up some material to see if there is any possibility of prosecuting cases that arise as a result of its investigations.

Mr. KEFAUVER. I think it would have a very wholesome effect throughout the country if a law regulating brokerage fees could be passed by Congress rather than handle the matter by an Executive order.

Mr. BIDDLE. I agree with you, certainly, Mr. Kefauver.

Mr. McLAUGHLIN. Going back to section 7, title X, it has been suggested when designating the act of August 2, 1939, there should be added the words "as amended."

Mr. HANCOCK of New York. There were two Hatch acts.

Mr. BIDDLE. Very good.

Mr. McLAUGHLIN. Have you concluded?

Mr. BIDDLE. I have, Mr. Chairman.

Mr. McLAUGHLIN. Did you address yourself to title XV with respect to the termination date?

Mr. BIDDLE. Yes, I did. I took it up out of order.

Mr. McLAUGHLIN. I am sorry. I did not hear you.

Mr. BIDDLE. I simply pointed out in answer to a question the power of Congress to terminate it sooner by a concurrent resolution.

Mr. McLAUGHLIN. What I had in mind was that I understand the bill as originally drawn provided a termination date which would be 6 months——

Mr. BIDDLE (interposing). Six months after the termination of the war.

Mr. McLAUGHLIN. And the bill as we have it before us contains a specific date, December 31, 1944.

Mr. BIDDLE. I approve it the way we had it originally drawn.

Mr. McLAUGHLIN. This change was made by an amendment proposed by Senator Clark, of Missouri.

Mr. BIDDLE. That is right.

Mr. McLAUGHLIN. Have you any particular feeling about that?

Mr. BIDDLE. No. It seems to me unwise to take a particular date. I am not quite prophetic enough for that.

Mr. HOBBS. When is the war over?

Mr. BIDDLE. That is a political question with the Chief Executive. I think the President can specifically say "The war is now over" and that determination cannot even be reviewed.

Mr. McLAUGHLIN. Of course, if the date of 1944 is left in the act and the war is still going on at that time the Congress can postpone the termination date of the law.

Mr. BIDDLE. For that reason I do not feel very strongly about it. I would use it as a trading point myself.

Mr. ROBSON. General Biddle, there was something said briefly by you about our constitutional right to pass a concurrent resolution as

provided for here to repeal the statute. Would the General express his views on that?

Mr. BIDDLE. I will sometime. I am not prepared to speak on it now. I have not studied it. It is quite a story and I would like to be very carefully prepared on such a serious question.

Mr. ROBSION. I was just amplifying what Chairman Sumners said. It is a very appealing way to get action in the House to pass bills granting these extraordinary powers.

Mr. BIDDLE. I am inclined not to burden the record with any small controversial suggestion made at this particular time.

Mr. ROBSION. I have in mind bills which come up on the floor giving Congress the right to repeal them by concurrent resolution. I know it helps to pass the bills. Many Members would not vote for them but for the belief Congress can repeal them by concurrent resolution.

Mr. BIDDLE. I can't give you a bang-up opinion. I kind of back off from it.

Mr. KEFAUVER. I think the use of the concurrent resolution plan might be considered as an admission of our own weakness or at least a fear of weakness in some future Congress.

Mr. McLAUGHLIN. General, you have covered everything except section 4.

Mr. BIDDLE. That is the section the Judge suggested we pass.

Mr. McLAUGHLIN. That is right. It is now half past 12.

Mr. BIDDLE. Mr. Chairman, in view of the lateness of the hour and of the fact that we are going to convene again, I understand, I would like to put in the record a memorandum from Mr. Eccles to Chairman O'Mahoney expressing the reasons why the Federal Reserve—

Mr. McLAUGHLIN. Yes.

Mr. BIDDLE (continuing). Want this power, as expressed in the title. Then I will be prepared this afternoon to discuss it, either Mr. Cox or myself.

(The memorandum referred to is as follows:)

AMENDMENT TO SECTION 14 (B) OF THE FEDERAL RESERVE ACT (CONTAINED IN SEC. 401 OF S. 2208)

The sole effect of this amendment is to permit the Federal Reserve banks, during the existing emergency, to purchase Government obligations (including those fully guaranteed by the Government) direct from the Treasury instead of having to place bids in the open market.

This is a power which it is believed that the Federal Reserve banks ought to have in order to enable them to aid the Treasury in meeting emergencies which may arise during the war and the exact nature of which cannot be foreseen at this time.

It would enable the Federal Reserve banks to tide the Treasury over a period, such as that following the attack at Pearl Harbor, and thus avoid the necessity of having the Treasury offer Government obligations for sale on the open market at a time when the market is demoralized and an additional public offering might add to the confusion and demoralization of the market and do incalculable harm to the Government's credit and to the holders of outstanding Government obligations.

Government obligations so purchased by the Federal Reserve banks in an emergency probably could be sold off gradually after the termination of the temporary demoralization in the market.

This is a power possessed by most foreign control banks, and the Federal Reserve banks should not be denied the right to render such aid to their Government in critical times like the present.

The restriction forbidding Federal Reserve banks to buy Government obligations except on the open market was imposed in 1935 on the theory that forcing the Government to borrow on the open market would afford a check on excessive

public expenditures, but such an argument is utterly inapplicable at a time like the present when the Government must borrow and spend enormous sums for the purpose of prosecuting the war.

Under the provisions of the so-called Thomas amendment (sec. 43 of the act of May 12, 1933), the Government could practically force the Federal Reserve banks to buy \$3,000,000,000 of Government bonds direct from the Treasury and could issue an additional \$3,000,000,000 of greenbacks. Likewise, the Treasury has a stabilization fund of approximately \$2,000,000,000 and enormous amounts of trust funds which it could invest in Government obligations. It would be more in accordance with sound finance, however, for the Federal Reserve banks to be permitted to render voluntary aid to the Government in times of emergency than for the Government to resort to these extraordinary powers.

Aside from the provisions of the Thomas amendment just referred to, the Federal Reserve banks can purchase no Government obligations except with the permission of the Federal Open Market Committee, consisting of the members of the Board of Governors of the Federal Reserve System and five representatives of the Federal Reserve banks. This committee also has the right to require Federal Reserve banks to purchase and sell Government obligations, but the law requires that the time, character, and volume of all such purchases and sales "shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.

Mr. BIDDLE. I only got notice of this meeting last night and it was too late to check up on it.

Mr. McLAUGHLIN. General, I do not think the subcommittee agrees with you. You have been very well prepared.

Mr. BIDDLE. That was general knowledge, of course.

Mr. McLAUGHLIN. But we have secured permission to sit this afternoon, and we should like to meet this afternoon and see if we can conclude this hearing.

Mr. BIDDLE. What time will you meet, Mr. Chairman? I think you better set a time and Mr. Cox will be sure to be here.

Mr. McLAUGHLIN. Is 2 o'clock satisfactory to all the members? Then, we will make it 2 o'clock this afternoon.

(The following telegram was received in relation to title V.)

CLEVELAND, OHIO, *January 30, 1942.*

HATTON W. SUMNERS,

*Judiciary Committee, House of Representatives:*

Being composed of Great Lakes vessel owners who operate about 95 percent of ships transporting iron ore and other essential commodities on Great Lakes, Lake Carriers' Association believes that title V of H. R. 6403 as introduced greatly preferable to title V of S. 2208, which passed Senate. From standpoint of Great Lakes objection to H. R. 5111 which Senate adopted in lieu of title V is that our ships would lose too much time in procurement of waivers. Bulk commodities are loaded and unloaded into lake ships within 3 to 6 hours. Waiver machinery provided by H. R. 5111 simply could not function within that period. War effort will not permit any delay to lake ships with prospect that fleet will be required to move at least 175,000,000 net tons of iron ore, limestone, coal, and grain during 1942 season. Accordingly, we urge adoption of original title V and rejection of H. R. 5111.

GILBERT R. JOHNSON,

*Counsel, Lake Carriers Association.*

(The following letter was received in relation to Title IV.)

THE AMERICAN BANKERS ASSOCIATION,

OFFICE OF THE PRESIDENT,

*Ponca City, Okla., January 29, 1942*

The Honorable HATTON W. SUMNERS,

*Chairman, Judiciary Committee,*

*House of Representatives, Washington, D. C.*

DEAR MR. SUMNERS: The second war powers bill, which we understand is embodied in H. R. No. 6403 (S. 2208), would permit the Federal Reserve banks to



purchase securities which are primary obligations of the United States or fully guaranteed by the United States directly from the Treasury instead of through the open market only, as provided in existing legislation. The bill in its present form provides that this authority will expire automatically 6 months after the termination of the war emergency, or at such earlier time as the Congress by concurrent resolution, or the President may designate.

The American Bankers Association does not oppose this extension of authority to the Federal Reserve System as a war measure. It recognizes that certain restrictions which normally safeguard the fiscal, monetary, and banking systems are often inoperative in time of war. It is of the utmost importance, however, that there be a definite termination of the authority with the resumption of peace, as has been provided for in this bill.

The present provision of law was adopted in the Banking Act of 1935 after careful deliberation and extended hearings. The law should not be changed permanently without equally careful consideration.

These are considerations which you probably have in mind, but the matter is of such great importance that we wanted to be sure you knew the views of the American Bankers Association.

Cordially yours,

H. W. KOENEKE, *President.*

(Whereupon, at 12:45 p. m., a recess was taken until 2 p. m. of the same day.)

#### AFTERNOON SESSION

(The Subcommittee on the Judiciary resumed the hearings at 2:20 p. m.)

Mr. McLAUGHLIN (chairman of subcommittee). The subcommittee will reconvene for further consideration of S. 2208. Attorney General Biddle may not have concluded his statement when we recessed, but he advised us that he might not be able to be here at the beginning of the session because of a Cabinet meeting.

It is understood that Mr. Cox may desire to make a statement. I might explain that Mr. Eccles, Chairman of the Federal Reserve Board, is here, and we would be very happy to have him make some observations with reference to title IV. If it is agreeable, we would like to hear Mr. Eccles at this time.

Mr. Cox. It certainly is.

#### STATEMENT OF HON. MARRINER S. ECCLES, CHAIRMAN OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. ECCLES. Do you desire to have me make a statement as to the reason this amendment was proposed, or do you desire that the members of the committee ask questions?

Mr. McLAUGHLIN. I think it would be advisable for you to make a statement, and, if any questions arise in the minds of the members of the committee, we would be glad to have you answer them. You are going to address yourself to title IV?

Mr. ECCLES. To title IV; yes. This restriction was put in the Federal Reserve Act by the Senate. The House had passed the Banking Act of 1935 without such restriction. At the time we did not feel the restriction was called for. It did not seem to us, however, to be of very much importance at the time. There was little or no buying of Government securities by the Federal Reserve System, and there was not much prospect at the time that there would be a purchase of securities.

However, since that time there has been, of course, as you all know, a very great change in the situation. The very large amount of the Government deficit requiring the Treasury to do an increasing amount of borrowing to meet that deficit, made us feel that this amendment was desirable.

This is not an unusual provision for central banks to have. As a matter of fact, other large central banks throughout the world have no such restriction as is imposed upon the Federal Reserve. Neither the Bank of Canada, the Bank of England, nor other central banks have ever had any such restriction as this imposed upon them. So that we are not asking for an unusual power; that is, a power unusual for central banks to have.

It has been said that for the Federal Reserve to be able to purchase directly from the Treasury instead of in the open market is very inflationary. That is not true. It is no more inflationary for the Federal Reserve System to purchase directly from the Treasury than it would be for the Federal Reserve System to purchase securities in the open market. If we purchase securities in the open market, we put funds into the banking system. That is the purpose of it; by purchasing securities we put funds into the banks and thus make funds available for the purchase of Treasury securities or otherwise. If we purchase directly from the Treasury and the Treasury spends that money, exactly the same thing happens. There is no difference whatever in the ultimate effect of purchasing directly from the Treasury or purchasing in the open market, as is now required.

Insofar as its being inflationary is concerned, the inflationary condition, if one is brought about, is through the Congress appropriating more money than it levies taxes to collect. In other words, it is the difference between what the Government spends, and it can spend only what is appropriated, and the taxes they collect, and they can be only the taxes that are levied. The difference between what is appropriated and what is raised by taxation in the coming fiscal year we estimate will be \$30,000,000.000 and that will have to be borrowed by the Treasury. It is the size of that deficit and the manner in which it is financed that determines the extent of the monetary inflation, and not whether the Federal Reserve System buys direct in the open market or from the Treasury.

It has seemed to us that if Congress appropriates the money that is asked for in the Budget and if taxes are levied that will collect one-half or less of that amount, then Congress should not restrict the Treasury in its effort to borrow the difference between what has been appropriated and what it is able to collect in taxes. It is a stupendous job and the Treasury should not be hampered or restricted.

If the market situation happens to be unfavorable on any given day when a financing operation is up—and it may well be under the conditions in which the world is in today—the Federal Reserve System should be in a position where it can take care of it by a direct purchase from the Treasury of an issue of securities. That does not mean that the Federal Reserve System would hold indefinitely securities that are so purchased. It may purchase a block of securities at a given time and then sell them in the market at such time as the market may be favorable.

Mr. McLAUGHLIN. In other words, is this designed to support the market?

Mr. ECCLES. It is designed to assure the Treasury of its needed financing without any hampering, without the Treasury being dictated to, in a sense, by the market. In a war economy the markets for practically everything are controlled; your commodity markets are controlled; you have price controls. It certainly would seem to us that the Treasury with the assistance of the Federal Reserve System should be in a position, likewise, to exercise some control in the money market situation.

When the Treasury makes its offerings to the market it attempts to establish a price on those offerings which is in line with the market and somewhat above the market so that there is a slight profit, we will say, to the purchasers of the securities. It is what you would call an underwriting commission that is given to the market.

The amount that the Treasury may offer under a situation such as we are confronted with must be large, a billion, two billion—some very large amount. It might be that the market would be such that it would be difficult to float the necessary amount of securities at a particular time, in which case the Federal Reserve could take a portion of such securities and, later, could sell those securities. In that case the Federal Reserve would attempt to redistribute those securities. It would underwrite an issue and undertake to redistribute it when the market was favorable.

Now, I am not saying that situation will develop and this is not designed for the purpose of changing the market method of financing. Its only design is to be prepared to meet emergency situations which we may well be confronted with in the very unusual situation that the world is in and in view of the unprecedented amount of the deficit that will have to be financed during the coming year.

The objection to this, I can well understand, would naturally come from those financial interests that profit out of the distribution and sale of Government securities. The real opposition would come and likely is coming from what we term "the Government bond dealers." There is a group of dealers who do most of the distributing of Government securities. The opposition would naturally come from them. And it might, likewise, come from some of the larger banks which engage in the distribution of Government securities. They naturally want to get the commissions for the handling of the securities; and if the Treasury should have to sell in the open market, they get the commissions on that sale. As matters stand now, the Federal Reserve in order to provide funds in the market so that the market could continue to buy Treasury securities, would have to buy back from the dealers. So you have a process of a sale to the market and a purchase from the market with the usual commissions covering that kind of an operation, instead of short-circuiting the process.

If this provision is not put into law and an unusual situation should develop, we could do this: Suppose the Treasury needed \$100,000,000 or \$150,000,000 and suppose conditions were unfavorable for putting any large issue out. They could sell to the market that amount each day and the Federal Reserve would buy out of the market each day what the Treasury put in. So you would take out every day as much as they put in every day. But if you are making an offering of a billion or one billion and a half, you can see it would be impossible to maintain an orderly market if this procedure were resorted to on such a large scale. It is impossible to do that.



Mr. SPRINGER. Do you desire to have questions asked now?

Mr. ECCLES. I have just about finished. Those are what I see to be the main arguments for this bill. In a few minutes I will be glad to submit to any questions that you may care to ask.

If the Treasury should sell, we will say, 100 million of bills or notes into the market a day, or, say 500 million a week, to keep the market stable and enable the market to absorb those securities readily, the Federal Reserve could buy that much every week. But in that case all you would be doing would be paying commissions for the sales and commissions for the purchases, and it would seem to me to be certainly unjustifiable under those circumstances.

Now, I am not arguing for dispensing with the market mechanism. I am only arguing that we should have this power so as to meet a situation that may well develop.

We discussed this with the Treasury. They feel that it is desirable and necessary. The Board and the Board's staff discussed it from every angle, and we are all unanimous as a Board and as a staff in feeling that this is a desirable amendment. It is a power that the System always had until 1935. It has only been since 1935 that we have been required to purchase only in the open market.

Mr. ELIOT. Why was that? What was the reason for the restriction?

Mr. ECCLES. For the restriction?

Mr. ELIOT. Yes; for the restriction?

Mr. ECCLES. Well, I don't know. The restriction was put in the Senate bill. But it did not make so much difference at that time because there was no problem of financing. The financing to be done was comparatively small. It made practically no difference under the situation that existed.

Mr. McLAUGHLIN. Was that amendment in the Senate sponsored by Senator Glass?

Mr. ECCLES. Yes; it was sponsored by Senator Glass at the time, but Senator Glass is now sponsoring in the Senate a revision.

However, I want to make this point: This is in this war powers bill, and the power is given to the Federal Reserve System only for 6 months after the emergency, as I understand it. So that we are not asking this as a permanent provision. It will expire with the other powers that are being considered in this bill.

Mr. McLAUGHLIN. If the bill does not remove the restriction with reference to the purchase only in the open market, a process will be required which will not be required if this restriction is removed?

Mr. ECCLES. It may. That process may be required.

Mr. McLAUGHLIN. It may be required.

Mr. ECCLES. That is right.

Mr. McLAUGHLIN. In other words, you attach significance to the simplification of the process? Is that correct?

Mr. ECCLES. Well, it is not only and necessarily a simplification.

Mr. McLAUGHLIN. The elimination of that process?

Mr. ECCLES. If the market is not prepared or willing to take the Treasury financing, the Treasury should not be put in a position, it seems to me, where it cannot do its necessary financing on a basis that is in line with what the Treasury has been financing on. In other words, it would be unfortunate for the rates on Government financing

in a war period to be advancing all the time constantly. We need a stable financing. In the first place, if rates should advance, outstanding Government securities would begin to decline. If they began to decline the holders of all your Defense Savings bonds might start cashing them in. The purchase by the public out of their savings and otherwise which is so necessary would be retarded because of a feeling that the securities that they may purchase might decline in value. We feel it is absolutely essential that the Government security market be stabilized, and in order to stabilize it, it may well need this supervision. Without this, the Treasury requiring money may have to pay what the market dictates to it.

That would be unfortunate under these circumstances. The Treasury does have some extraordinary powers which they have not used and which, certainly, the bankers would not want them to use, and one of them is the issuance of the 3 billion of currency under the Thomas amendment in 1935. They likewise have powers to use silver and gold, but I don't think any of us would like to see a resort to those powers, and I don't know that they would be used, in any case.

All I am saying is that we should be in a position to make their financing possible on a basis that is in line with the present pattern of rates in order to give stability to the market, which is certainly essential when you consider the large amount of financing they have to do, and the appeal has to be made to the investing public, the savers, and so forth. You cannot have a declining market and an increasing rate structure, and we intend to give the market stability with this provision. I am not saying that we will have to use this to give that stability. I am saying that this will help to assure stability, to give stability that may not be as easy otherwise.

MR. SPRINGER. There is one point that I am not entirely clear upon, Mr. Eccles, and that is if the restriction of purchasing only in the open market is lifted so that you can purchase from the Treasury direct, suppose the bonds on the general market have increased 1, 2, or 3 points. if the Federal Reserve is buying from the Treasury Department and it is paying only par for those bonds, what effect will that have upon bonds which are on the open market?

MR. ECCLES. It should have no effect. If there is a demand in the open market greater than the supply of bonds in the market, the bonds naturally would be inclined to go up. If the market was prepared to take the bonds, there would be no occasion for the Reserve System purchasing the bonds.

MR. SPRINGER. Do you think the fact that the Federal Reserve is buying bonds at, say, par, and suppose at that particular time all bonds on the open market are 2 or 3 or 4 points above par, would not that have the effect to cause the bonds on the open market to depreciate very materially?

MR. ECCLES. To depreciate?

MR. SPRINGER. Yes.

MR. ECCLES. No. It would likely have the opposite effect. The bonds on the open market now run all the way from par up to 112. There are numerous issues out today at varying prices. The price of a bond is determined by its interest rate and its maturity. If the Federal Reserve bought some securities directly from the Treasury, I would think that the securities would likely be the very short-term securities, rather than bonds. They would probably be notes or bills.

And the purchase of those securities, if it did anything, would tend to make the market very much stronger because the Treasury would not be selling securities in the market. Hence, the supply of securities in the market would be less than it otherwise would be, and when the Treasury spent the money that it got from the Federal Reserve and those funds went into the market, there would be more money in the market in relation to the supply of securities in the market. So that the purchase by the Reserve System of the securities directly from the Treasury would have the effect of strengthening the market for securities already sold.

Mr. SPRINGER. You don't feel that transactions of that kind would have some psychological effect on the market?

Mr. ECCLES. It would have only the psychological effect of stimulating securities because people would know that there were less securities to be purchased in the market and more money with which to purchase them. That is the effect it would have.

Mr. O'HARA. I claim to know little about the money end of our monetary conditions so I will ask that you pardon some of these questions. But has there been any break-down in the present market mechanism in the buying and selling of Government bonds in the open market?

Mr. ECCLES. I would not say that there had been a break-down; no. I would say that the market has held pretty well. The Federal Reserve, of course, has given at different times some substantial support to the market or there would have been a greater decline than there has been at times. Right after Pearl Harbor a billion and a half issue of the 67-72's was pending or was offered to the market on either Friday or Saturday, but had not been issued, that is, they had been subscribed to, and there was \$150,000,000 of bills falling due on Monday. The Treasury Department did not know and we did not know whether there would be any bids in the market on Monday after the Pearl Harbor incident. The market was very weak, very jittery, and we purchased in the market that Monday and a few days after about \$100,000,000 of securities, giving stability and support. Where weakness was shown we purchased to stabilize the market. If we had not I don't know where the market would have gone. But we gave it stability.

Now, in the case of bills, they are sold to the highest bidder. The bill market is very narrow and very limited, and, of course, the rate on 90-day bills must be necessarily very low. So to be sure that bids were put in on the Monday after Pearl Harbor we did indirectly what we could not do directly. We got in touch with some of the dealers and told them if they would put bids in for the bills at a certain price, that we would take the bills off their hands. Accordingly they put the bids in, which they would not have done unless they knew they could turn around immediately and sell the bills to us, and that is what they did. They put the bids in and such bills as they were unable to sell immediately they turned over the next day, on Tuesday, to the Federal Reserve and, of course, they got a small commission. They did not put up any money. They just put the bids in for the allotment made to them and turned it over to the Reserve System. This is a case where we felt compelled to do that to give the market stability and we did it indirectly because of the restriction.



Mr. HANCOCK. In other words, if title IV is passed your hands would be freed to do whatever seems to be best at the time?

Mr. ECCLES. Yes.

Mr. HANCOCK. At the present time you are obliged to buy in the open market.

Mr. ECCLES. We have no choice; none whatever.

Mr. O'HARA. Would you say, Mr. Eccles, that it would be a complete change of our present system of negotiation or dealing between the Federal Reserve bank and the Government in the purchase of Government securities from our old system?

Mr. ECCLES. Well, if all the financing were done by the Federal Reserve in purchasing Government securities or a substantial part, it would be a change in the system. But as I said earlier, it would be no more inflationary if we purchased them directly from the Treasury than it would be if the Treasury sold them to the market and we purchased them from the market. If we should buy, say, one billion from the market and then the Treasury sold one billion into the market you would have exactly the same picture, the same effect on the market. One is no more inflationary than the other.

It is true that the dealers would naturally prefer that the Government must sell through the dealer in the market and that we must buy through the dealer in the market; that this must be routed completely through the private dealers. Now, they naturally would prefer that.

A private company today can negotiate for the sale of its securities privately. It can go to an insurance company and place its securities and it does not have to go through the S. E. C. or the investment banker. Now the S. E. C. doesn't like that. Neither does the investment banker. That is, however, one thing that has developed. There is a lot of that financing which avoids going to the investment banker.

Mr. O'HARA. Let me follow this with one thing more: Assuming the Federal Reserve bank buys \$1,000,000,000 worth of Government securities. Now, what will it do with that billion dollars worth of securities? Are they going to sell it on the market?

Mr. ECCLES. You mean if the Federal Reserve bought those from the Treasury directly?

Mr. O'HARA. That is right.

Mr. ECCLES. We may hold them, or we may sell them, or we may sell part of them. It would depend entirely upon the market. If the market was going up we would sell them into the market to keep the market stable, you see. If the market showed weakness we would not want to try to dump those into the market and make it weaker.

Mr. O'HARA. Say there is a weak trend in the market and you go in and buy \$1,000,000,000 worth of securities from the Treasury Department. You buy them, say, at 98, and the time you come to sell them you sell them at 100. Where does that profit go?

Mr. ECCLES. That profit goes into the Federal Reserve System, but no profit in the Federal Reserve outside of the 6-percent dividends required by law is distributed to the member banks.

Mr. O'HARA. That is, the Federal Reserve System is a private system.

Mr. ECCLES. It is private only in the sense that member banks are required by law to subscribe to stock of the Reserve banks. It is not

private in the sense of being able to operate for profit and retain the profits.

Mr. O'HARA. You are limited to 6 percent profit?

Mr. ECCLES. That is, member banks are limited to 6 percent on their subscriptions.

Mr. O'HARA. This amendment would give the Federal Reserve bank a greater privilege, Mr. Eccles, than it has heretofore had.

Mr. ECCLES. We could always buy in the market.

Mr. O'HARA. It gives you the opportunity of buying direct from the Government.

Mr. ECCLES. That is right, but we already have close to two and one-half billion of securities that have been purchased in the market and are owned by the System. As a matter of fact, it is the return on those securities that pays the expense of the operation of the System, and if we purchase directly from the Government it would not change the picture at all.

Mr. O'HARA. During the last war there were a great many Liberty bonds sold. Following the sale of those bonds the market went down, as I recall. My recollection is not altogether clear on that. Can you give us the reason for that?

Mr. ECCLES. Yes; I think so. In the last war the cost of financing the war was increased all during the war. In other words, the Government was paying increased interest rates during the entire period. The member banks instead of having any excess reserves or excess funds were borrowing heavily from the Federal Reserve System. They borrowed as much as \$2,000,000,000 from the Reserve System to finance the many people who were purchasing governments and also to finance commerce, industry, and agriculture.

Now if the Reserve System at that time had either purchased a lot of securities in the market or purchased directly from the Treasury, they could have kept that interest rate down, instead of having the 4½-percent rate, tax-free, which was outrageous in my opinion. Instead of the basis they did finance it on, they could have financed at 2½ or 3 or whatever rate they wanted to establish.

But the Federal Reserve at that time had no open market committee. They did not know about open market operations. It was thought that the only way they could help the market was to loan to member banks, to rediscount eligible paper, and that was the way they proceeded to operate. Well, their discount rate was high. They charged the member banks 4 and 5 percent. Naturally, then, the Government going to that kind of market had to pay a very high rate for its money.

Mr. O'HARA. That is true, Mr. Eccles. The regular interest rate at the time of World War I, I believe, was on a higher basis than it has been for the past several years.

Mr. ECCLES. It was on a higher basis because the banking system permitted it to be. The central banking system did nothing about reducing the rate. It tended to increase the rate and to maintain the rate.

Mr. O'HARA. Of course, isn't it true that the reason the interest rate the last few years has been low is because there has been a larger amount of liquid cash, and not by reason of any control by the Federal Reserve?

Mr. ECCLES. Yes; and it has been by reason of monetary action that there has not been an even greater amount of liquid cash. We must ask the question where did the liquid cash come from.

Mr. O'HARA. That is what I was coming to.

Mr. ECCLES. That came from the Government deficit. You see in 1932 bank deposits were only about one-third of what they are now. We had a terrific contraction from 1929 to 1933 in the supply of money through the contraction of bank credit. Our supply of money in this country is created from three main sources: Gold, silver, and bank credit. When gold comes in it adds both to deposits and to reserves. The same is true with silver. So that the gold purchased and the silver purchased is the thing that tended to increase the deposit structure and excess reserves. That is, the banks had excess reserves away beyond what the legal reserve requirement was, and so they had surplus funds to lend and they were under pressure to lend them.

The Government, then, insofar as financing the sale of securities was concerned, found the banks the biggest buyers of Government securities. The bank holdings have risen from about five billions to something over \$20,000,000,000. When the banks buy these securities they give the Government credit, or a deposit. As the Government spends that money, it goes right out into circulation and becomes the deposits of the people and the corporations of the country. That is our main money supply. Our present supply of bank deposit and currency, which is around \$50,000,000,000, is about two or three times what it was in the years 1932-36, and nearly twice what it was in 1929. And this supply of money, as I have indicated, came largely from those three sources.

Now, the expansion of private credit does exactly the same thing. As banks loan money to individuals and corporations, they set up deposits which bring into existence additional funds, additional deposits. During the last 2 years with the defense program there has been a substantial expansion of private credit to industry and this has created some additional funds. That is where that supply of money has come from.

What we would like to avoid so far as possible is further financing of the Treasury's deficit through the banking system because a continued expansion of the supply of money is, of course, inflationary. We would like to avoid that so far as possible. We would like to stabilize the Government bond market and induce the investor, the saver, to take out of his current earnings as much as possible and put it into Government securities.

Mr. McLAUGHLIN. Would this amendment affect that situation?

Mr. ECCLES. This amendment would only help to make it possible to give greater stability to the market. And as I indicated awhile ago it is important that we have a very stable market and to control the rate structure, because if you have an increasing rate structure you would have a declining Government bond market, and that would work very much against the financing program.

Mr. O'HARA. Do you feel that this amendment is necessary, Mr. Eccles, to create a cushion insofar as the Federal Reserve bank could buy direct from the Treasury? Is that a fair statement?

Mr. ECCLES. I would say that it may be necessary during this emergency.



Mr. O'HARA. Let us assume that is the ultimate desire.

Mr. ECCLES. It may be necessary during this emergency period. It is only being asked for during the period of the emergency.

Mr. O'HARA. Let me ask you this: How far can the Federal Reserve go? To what extent may they go in buying bonds direct from the Treasury?

Mr. ECCLES. Practically unlimited. That same thing is true with respect to purchases in the open market.

Mr. O'HARA. One hundred billion?

Mr. ECCLES. I have not the figures. The only limitation for the Reserve System is the gold reserve.

Mr. O'HARA. You have a lot of that in Kentucky.

Mr. ECCLES. I know we have the warehouse receipts for it. We have gold certificates. We hold gold certificates against the gold in Kentucky. As to the gold in the stabilization fund, the law requires that the volume of the currency in circulation and the deposits of the member banks with the Reserve bank must be covered by a certain percentage of gold. There is a huge amount of gold in excess of the present coverage. I don't know what the figures are, but they are big. They are almost unlimited. So there is really, I would say, for all practical purposes no restriction.

Mr. O'HARA. I think we can say it has been true that our expenditures of Government have been greatly in excess of income for some time.

Mr. ECCLES. Well, not greatly. They have been in excess of income. There has been a difference between the budgetary deficit and the cash deficit. The cash deficit has fluctuated from about 800 million in 1937 up to somewhere about four or four and a half billion in this defense period. At no period was the cash deficit, I think, more than four billion or four and a half billion. Even in the year when the soldiers' bonus was paid in 1936, it was not great. The aggregate deficit from the time of the bank holiday up until 1940 as compared with the aggregate increase in total national income during that period was small. It was large compared with what we had known in the past, except in the last war.

In the last war we had a \$13,000,000,000 deficit in 1 year, and \$9 000,000,000 another year. Now, outside of those two deficits in 1918 and 1919, the other large deficits were in the years from 1932 to 1936. In that period, of course, they were large by comparison with any other period in our history.

Mr. O'HARA. Well, if the Federal Reserve becomes the purchaser of these Government-issued bonds or certificates, it will still be necessary, will it not, in some manner to sell those securities to the public or to member banks?

Mr. ECCLES. We would like to see the member banks avoid taking them and have them purchased out of the current income of the people. I feel that a very large portion of the deficit can be financed outside of the banks.

Mr. O'HARA. Was it true during the last war that it was necessary for the members of the Federal Reserve bank to purchase Liberty bonds? Were they compelled by the Federal Reserve bank to purchase Liberty bonds?

Mr. ECCLES. No; there was never any compulsion.

Mr. O'HARA. There was never any compulsion?

Mr. ECCLES. No. In a great many cases individuals borrowed from our banks to purchase bonds, and then the banks borrowed from the Federal Reserve. The banks rediscounted from the Federal Reserve in order to finance the individuals who purchased securities.

Now, that could have been avoided if the Federal Reserve had gone into the open market and purchased Governments. It would have avoided the necessity for the banks borrowing from the Federal Reserve. Or, if the Federal Reserve had purchased from the Treasury some of the securities, it would have left the banks with more adequate reserves and made it unnecessary for them to borrow from the Reserve System at the high rediscount rate that they had to pay.

The reason that the Government credit was at  $4\frac{1}{2}$  percent at that time was because the funds to finance it had to be secured from the Reserve banks, by borrowing from the Reserve banks. The Reserve banks put the discount rate up; that is, the rate at which they would loan to the banks. This meant that the banks would only lend to the customer and in turn to the Government at a high rate. So it was the Reserve banks that forced the Government at that time to pay the rate that it paid.

Mr. O'HARA. It was in part due to the high rate that was the going rate of interest at that time?

Mr. ECCLES. The going rate is determined by the supply of money and the Reserve System determined that supply. The Reserve System creates the surplus or shortage, and the rate that is paid for money is determined in that way. There is actually no such thing as a "natural" rate. The rate for funds was pretty largely determined by the policy of the Reserve System.

Mr. O'HARA. To be practical, I am John Jones, and I want a thousand dollars, and I go into the bank and the banker says, "I want 8 percent or 10 percent."

Mr. ECCLES. Yes; but the banker would not do that if he had some competition, and if you had an easy-money policy he would have some competition and would not be able to charge that rate.

Mr. O'HARA. For example, a small bank today is getting about—well, I know even as low as 5 percent on real-estate mortgages and 6 percent on other loans.

Mr. ECCLES. It used to be 8 percent and 10 percent, and the Government is getting its loans at  $2\frac{1}{2}$  percent instead of  $4\frac{1}{2}$  percent.

Mr. O'HARA. That has been due to the general depreciation on interest rates?

Mr. ECCLES. It has been due to the easy-money policy pursued by the Government.

Mr. O'HARA. Do you think that is the answer?

Mr. ECCLES. That is the answer. The gold devaluation and the gold that has come in have been great factors in creating the supply of funds, as well as the excess reserves.

Mr. McLAUGHLIN. It has been suggested in the hearings that the effect of the elimination of this provision requiring the purchase only in the open market would be to free the Federal Reserve from the restriction that is now imposed. However, it might be well to refer to some of the statements in the Senate in opposition to the amend-

ment eliminating the restriction in order that you might comment. During the debate in the Senate, Senator Taft said:

It seems perfectly obvious to me that the effect of this amendment would be to give the Treasury power to make the Federal Reserve banks buy Government bonds direct from the Government at any rate of interest it might see fit to impose. The effect would be entirely to supersede the present system of marketing Government bonds and impose a danger to the soundness of the currency of the United States, which is exactly the danger which finally wiped out the French and German currency in the World War. It seems to me that the matter should be considered by the Banking and Currency Committee and that experts should testify as to the effect of the proposed change and the type of such policy.

Would you care to say something to his charge that this is a compulsory effect?

Mr. ECCLES. What Senator Taft says, in the first place, just isn't true. The Treasury cannot compel the Reserve System to purchase Government securities. The Federal Reserve System has the discretionary power to purchase them. The Treasury has no mandatory power to require it. So he is wrong in that instance.

In the next instance, what he says about the inflationary effect of this type of financing instead of the other type of financing likewise is untrue. We can purchase in the open market now, and that is just as inflationary from that standpoint as to purchase from the Treasury. There is no difference whatsoever as far as the inflationary effect is concerned. So this power we are getting does not increase the inflationary powers in the slightest.

If we had no power to buy either in the open market or to purchase from the Treasury, then, of course, we would not be able to put any additional funds into the market, and that, of course, would be restricting what he may term is an inflationary power. But we do have power to buy in the open market, and whether we buy ten billions or one billion in the open market or ten billions or one billion from the Treasury makes no difference so far as the total supply of funds is concerned. So he is entirely wrong.

Mr. HANCOCK. If you buy in the open market you are just transferring bank credit from your bank to individual banks, but if you buy from the Treasury direct additional bank credit is created.

Mr. ECCLES. It is brand-new money when you buy it from the market.

Mr. HANCOCK. Let us take the case of an individual. Suppose I buy a \$1,000 bond. A thousand dollars goes out of my bank balance and goes in the Treasury.

Mr. ECCLES. And the Treasury spends it.

Mr. HANCOCK. But when the Treasury issues a \$1,000 bond and you buy it, there is a thousand dollars additional bank credit. In other words, when the banks take it the credit inflation is in exact proportion to the amount of the bonds that are issued. But when an individual buys it there is no inflation. Am I right about that?

Mr. ECCLES. When we purchase the securities in the open market, what we are doing if the banks sell us the securities is to give them money in lieu of those securities. When you sell securities, then you get the money that we have given in lieu of those securities. If we purchase a billion dollars of securities, for instance, that creates a billion dollars of additional reserves in the banks because the individual puts his deposit in the bank, you see. So you would have a



billion dollars of excess reserves in the banks if we bought a billion dollars of securities in the market.

Now, if we go to the Treasury, and if we purchase a billion dollars of securities from the Treasury directly, then when the Treasury spends the money that likewise puts a billion dollars of excess reserve in the banking system. It is the excess reserves which the banks have that force the interest rate down, that is the thing that puts the banks under pressure because they have these extra funds. The excess reserves are the basis for inflationary expansion.

Mr. HANCOCK. Generally speaking, then, the greater the debit financing, the greater the inflation of credit?

Mr. ECCLES. That is true. But there would be no inflation if the Treasury were able to finance entirely from individuals and corporations.

Mr. HANCOCK. Well, that is what I had vaguely in mind a moment ago when I gave the illustration.

Mr. ECCLES. Yes. Of course, the Treasury may well make an effort to sell its securities in other ways. But if the Federal Reserve took those issues, they certainly would not expect to hold those issues, but would naturally want to distribute them to the market at such time as there was a market for them.

Mr. HANCOCK. If they are obliged to hold those securities and the public cannot absorb them, then we have a vast excess credit.

Mr. ECCLES. But if the banks likewise took those securities and the Federal Reserve went out in the open market to purchase securities, then you have exactly the same situation. The point that I am making is that this change does not make the situation any more inflationary than through our operation in the open market now. When money is appropriated and taxes are not levied in sufficient amount, the money has got to be raised. Now, the point is if you can get the money from the savers by getting individuals and corporations to curtail their expenditures and turn the money over to the Government, that is all right. But to the extent you fail to do this then you have to get whatever balance is needed from the banks or from the Federal Reserve System.

Mr. ELIOT. This section makes it easier for the Government to sell its securities?

Mr. ECCLES. It makes it easier to maintain a stable and orderly market in this situation. You might have a big issue coming at a time when the market situation is unfavorable. Pearl Harbor is a case in point. Now, if we should get a bombing raid at some point, it does tend to affect the situation temporarily, and we should not be left, it seems to me, in a predicament when the emergency can be readily met.

Mr. ELIOT. I was trying to get into the heart of the inflation argument. If Senator Taft, for instance, or whomever you say, thinks that this will make it easier for the Government to cover its deficit by borrowing and that the increased deficit is inflationary, then he might argue that in that round-about way this bill would have an inflationary effect. Now, I have had a debate on this subject with Senator Taft, and I would not be surprised if that was not the basis of his argument, that this was inflationary because it made it easier to pay the Government's bills by borrowing, rather than by taxation.

Mr. ECCLES. The place to control the deficit is on the appropriations.

Mr. ELIOT. Or the revenue raising end?

Mr. ECCLES. That is right, through taxation or appropriations. But when Congress creates the deficit, then you certainly cannot say to the Treasury or to the Government that now we are going to make it hard for you and we are going to make you pay through the nose.

Mr. McLAUGHLIN. Normally this bill would have gone to the Banking and Currency Committee if it were not included in this legislation?

Mr. ECCLES. That is correct.

Mr. McLAUGHLIN. In the Senate the statement was made that this proposed amendment striking out the requirement that the purchase be made only in the open market had the approval respectively of the chairman of the two Banking and Currency Committees, that is, in the Senate and the House. Would you care to comment on that?

Mr. ECCLES. It not only had the approval of Senator Wagner, who is the chairman of the committee, but Senator Glass approved it. And in the House Congressman Steagall has approved it and Congressman Williams has approved it. Mr. Patman, of course, would be very favorable to it.

Mr. O'HARA. You know Mr. Patman's philosophy.

Mr. ECCLES. Mr. Crawford of the Republican side would be favorable to it. I talked to Mr. Wolcott about it, and he made no commitment because he said he had no chance to consider it or study it, but that he would do so. So I can say that the leaders in the Banking and Currency Committees, certainly the majority of them, if not all of them, are favorable to this bill. Knowing what you say is correct, we felt it advisable to talk to them because had there been opposition to it from the Banking and Currency Committee, it naturally would have made it very difficult to get the bill through, and possibly inadvisable even to try.

Mr. McLAUGHLIN. You found none?

Mr. ECCLES. We found none. We did that before the section was put in the bill in December. This matter was discussed in those committees and we found they would give the matter support.

Mr. SPRINGER. Just one further question I would like to ask Mr. Eccles. Mr. O'Hara asked a question awhile ago about the Federal Reserve purchasing bonds from the Treasury in a large amount, and then turning them on the market, turning them all on at one time. Would that have any effect on the price in the open market insofar as the individual investors are concerned?

Mr. ECCLES. If we made a purchase in order to stabilize the market, we would not sell them except in a manner to stabilize it. Now, when we say market, of course, that does not mean the stock exchange. That means any purchaser, corporate, individual, dealer, or what not. And if we had securities available and we wanted to sell them, the time that we would be willing to sell them would be when the market showed a special gain and when there was demand, a demand for securities and we had those securities available. Then in order to keep the market from going up, we would naturally supply through the dealers or through the banks anybody that wanted to purchase them. We would supply those securities based upon the demand.

For instance, when the war started in 1939, over a period of several months we purchased \$400,000,000 of securities. For the first day of the war, the highest day, it was \$100,000,000 that we purchased. But during the whole period it was over \$400,000,000 that was purchased. Now, at different times later we sold substantial amounts of these securities. When the market showed strength we sold a lot of those securities that were purchased, or other securities, maybe not those identically. But the total amount in our portfolio at the present time is greater than it was before the war. So that we have been increasing the excess reserves through our purchases of securities. We purchase in the market when it shows weakness and we sell when it shows strength.

Mr. SPRINGER. The question I am interested in, Mr. Eccles, is the position of the average American citizen who buys bonds and holds them. He has turned his money over to the Government for the purpose of our financing and for prosecuting this war. I am interested principally that he is not expected and does not expect to have the bond that he buys depreciate by reason of any action of the kind that I have just suggested.

Mr. ECCLES. We certainly are extremely interested in the same thing, and that is one of the primary reasons why we want this, so that we can stabilize the market and accomplish the very thing that you are talking about. Nothing would be more disastrous to the Treasury financing or to the savers outside of the banks than to have a rapidly declining bond market.

Mr. SPRINGER. And nothing could be much more disastrous to the banks.

Mr. ECCLES. That is right. That is exactly right. In other words, to have an increasing interest rate would mean a declining bond market and a declining bond market would hamper the sale of defense bonds. Maybe if we wait another month or if we wait another 2 months it would be higher still, and you would have a very uncertain situation. The banks, as you see, would find that the bonds they had purchased and thought they would profit from were not so profitable.

Mr. O'HARA. So far as the deficit is concerned, your contention is that you do not intend to buy those securities for the purpose of holding them, or for the purpose of selling them?

Mr. ECCLES. We would not purchase them as an investment for the Federal Reserve. Our purpose would not be to buy them as an investment. We would merely be giving security to the market by absorbing the Treasury financing to such extent and in such a manner as would give stability to the market.

Mr. CRAVENS. As I take it from what you say, Mr. Eccles, if this power to purchase directly from the Treasury is granted, it won't be your policy to buy habitually or regularly, but only when unusual circumstances occur or the situation is such that it makes it advisable to do so?

Mr. ECCLES. That is right. We are not trying to get this power to substitute completely for the market method of financing at all.

Mr. CRAVENS. You don't intend to go into the market every day, but only when it becomes necessary?

Mr. ECCLES. Certainly. What securities we purchase we would want to sell into the market when the market could take them, and if the



market could take them directly there would be no occasion for this purchasing directly.

Mr. CRAVENS. In other words, this is only a precautionary measure; you want to have the power, but you don't intend to exercise it unless circumstances force you to do so?

Mr. ECCLES. That is exactly correct. I don't know whether this committee knows it or not, but the open market committee is composed of 5 of the bank presidents of the Reserve banks. There are 12 Reserve banks, and in accordance with the statutory provision 5 of their members are members of our market committee. The Board makes up the other members of the committee. So the power that is given here is not given simply to the Board or a portion of the Board at all. It is given to the open market committee upon which the Reserve banks are represented.

Mr. CRAVENS. Of the Federal Reserve System.

Mr. ECCLES. Yes. In other words, that is the agency that would have to exercise this power of purchasing direct.

Mr. SPRINGER. Would that same market committee, Mr. Eccles, control the selling?

Mr. ECCLES. Oh, yes; both buying and selling. I don't know whether you were familiar with just what this body is, and I thought it might be well to explain it. Mr. Chairman, is that all?

Mr. O'HARA. Some of the members of the Committee on Banking and Currency asked me to let them know when Mr. Eccles would be here so that they could attend at the same time. Now, whether they would want Mr. Eccles to appear at some time later on, I don't know. But in deference to their wish, I was supposed to let them know. But I did not know just when Mr. Eccles would be here.

Mr. ECCLES. Would this meet it—I would be glad to see all of them informally and answer any questions that they may wish to ask. I would be glad to do that if you don't want to take the time for a public hearing of this kind.

Mr. McLAUGHLIN. While we want to work with our fellow members on other committees, it is also desirable from every standpoint that the hearings be concluded with as great speed as is reasonable under all the circumstances. So far as I am concerned, I really don't see any purpose in holding the hearings open to listen to testimony by members of committees who would have had this matter under their jurisdiction normally.

Mr. Cox. If the full committee is meeting, in view of the controversy on this item, if they want to attend the full committee meeting, they can.

Mr. McLAUGHLIN. We might consider that.

Mr. ECCLES. There would have been no opposition to this except for a few of the big banks that are interested in the buying and selling, and from dealers and from people in the money market. They want no purchases or sales except those which go through the market so that the commissions can be taken off. That is where the real opposition has developed.

Mr. O'HARA. None of them consulted me, I assure you. I was just asking for my own information.

Mr. ECCLES. I am sure of that. I made that statement because I know where some of the opposition is coming from.

Mr. HOBBS. We never give up a monopoly that we can graft on. That is human. If I was in that business, I might do the same thing.

Mr. McLAUGHLIN. Your suggestion of a personal informal conversation with members of the Banking and Currency Committee is good and we appreciate it very much if you see fit to do so. I am sure the committee would like to have you do so.

Mr. ECCLES. I have talked with some of the older members, that is, the senior members of that committee, and they are very familiar with the subject. Now, if there are some other members who feel that they would like to get additional information and would like to talk to me, I would be very glad to give them what information they want.

Mr. McLAUGHLIN. We thank you very much, Mr. Eccles, for your contribution.

Mr. ECCLES. Thank you.

Mr. McLAUGHLIN. Mr. Cox, do you desire to go on now?

Mr. Cox. I think you may want to hear from the Bureau of Inspection and Navigation.

Mr. McLAUGHLIN. Is there any one who wants to continue speaking on this subject that Mr. Eccles has been discussing? If not, we have one thing further, and that is the matter of the waiver of navigation and inspection laws. Is there a representative here from the Commerce Department?

Mr. FIELD. Yes, sir.

Mr. McLAUGHLIN. Do you care to be heard at this time?

**STATEMENT OF COMMANDER RICHARD S. FIELD, DIRECTOR OF THE  
BUREAU OF MARINE INSPECTION AND NAVIGATION, DEPART-  
MENT OF COMMERCE**

Mr. FIELD. Yes. I am Commander Richard S. Field, Director of the Bureau of Marine Inspection and Navigation of the Department of Commerce.

Mr. McLAUGHLIN. You are addressing yourself now to title V?

Mr. FIELD. Yes, sir. In the summer of 1941, when the effect of the emergency began to make itself apparent and as a result of a good many inquiries that we had from the Navy Department and War Department on the subject of the necessity of making exceptions, or, if possible, to find ways to get around certain of the navigation and inspection laws in the interest of the movement of ships in which the War and Navy Departments were interested, it became apparent to us that it was going to be necessary to get authority to waive these laws.

The Department of Commerce represented the matter to the President and the President, in June 1941, transmitted the draft of a bill which was introduced as H. R. 5111, which would authorize the Secretary of Commerce upon the request of certain other Government officers, including the Secretary of War and the Secretary of the Navy, to waive the navigation and inspection laws to such an extent as was found necessary in the interest of national defense.

The House passed that bill with some amendments, and later on it was passed by the Senate with still more amendments. By that time we were in the war. H. R. 5111 now stands with the House having passed it one way and the Senate another.

But after we got into the war these things which we visualized were so emphasized by the situation that the President issued Executive Order No. 8976, dated December 12, 1941. Thereafter this legislation was introduced, title V of which is substantially the same in language as the Executive order. Prior to the passage of the bill by the Senate the provisions of H. R. 5111, as passed by the Senate were substituted for the language of title V. To that amendment we have very serious objections. I would like to make some comments on the effect of the amendment.

The amendment authorizes the Secretary of Commerce to waive compliance with the navigation and vessel inspection laws only upon the written recommendation of the Secretary of the Navy, the Secretary of War, the Secretary of the Treasury, the Secretary of Labor, and of the Chairman of the United States Maritime Commission, or any three of the above-named officials. In the conduct of the war it is frequently imperative that ships sail without delay. In most cases it would be difficult, if not impossible, for the interested Government agency involved to obtain an identical recommendation from three of the officials named. It is also highly improbable that in cases of emergency such a recommendation could be obtained in sufficient time to take care of the situation then existing. The bill as introduced recognized that fact by authorizing the waiver by the Secretary of Commerce upon his own initiative or upon the written recommendation of the head of any other Government agency, and, more important, went even further to require a waiver upon the request of the Secretary of the Navy or the Secretary of War. The latter officials are primarily concerned in the conduct of the war. They should not be forced to resort to persuasion, but should have authority to direct such waivers as may be indicated by the necessity of the moment.

The amendment also prohibits the waiver of compliance with any of the navigation and vessel inspection laws to such an extent as will permit the navigation of any vessel in an unsafe condition. Safety is a variable condition which cannot be exactly defined. The highest degree of safety is the object of the inspection and navigation laws. The amendment as written would tend to require even in the present war emergency the same highest standard of safety as the laws and regulations prescribe for peacetime. During the war those officials charged with the conduct of the war may on occasions find it essential that men or materials be moved in vessels which do not meet the highest requirements of the safety laws applicable in peacetime. Those officials must in such cases consider carefully any possible advantage to be obtained from the immediate transportation of men or materials and the possible disadvantage of attempting to move them in a vessel which falls to some degree below the highest peacetime standards of safety, and they should be empowered, if after careful consideration it is their studied conviction that the factor of necessity outweighs the factor of relative safety, to decide in favor of the necessities of war. It is also to be understood that in such cases the War or Navy Department, as the case may be, and the Department of Commerce, will take steps to maintain the standards of safety as high as possible under the conditions.



The amendment limits the waiver to specific rulings for specific occasions and requires that the reasons for the waiver be specifically stated. The Department is of the opinion that this requirement, while unreasonable and unnecessary, is not fatal. For example, it may be necessary, in order to preserve secrecy in regard to the movement of vessels, to omit from shipping articles details which regard the voyages to be made. If the Secretary of Commerce is to be required to issue an order covering each separate vessel of the American merchant marine each time it ships a crew or replaces one man in the crew, the burdens on the Secretary will be tremendous and, in my opinion, absolutely unnecessary. Other similar cases will be readily called to mind.

The amendment requires periodic reports to the Congress of all action taken thereunder. It is conceivable and highly probable that some action may be taken at the request of the Secretary of War, the Secretary of the Navy, or the Chairman of the United States Maritime Commission which will be of such a nature that it will be necessary, in the opinion of the officer making the request, to treat the entire matter as confidential, for some time at least. The Department has no objection to making periodic reports to the Congress, but is of the opinion that reports of waivers, which, in the opinion of the Secretary of War, the Secretary of the Navy, or the Chairman of the United States Maritime Commission, should be kept confidential, should not be made until such time as the need for secrecy in connection with them has passed.

Section 501 of the bill as introduced provided a quick and directly effective method of waiving compliance with the navigation and vessel inspection laws where such action is found to be necessary in the opinion of those officials charged with the responsibility for the prosecution of the war. It is, therefore, highly preferable to the amendment of the Senate, and its enactment should be urged.

Mr. McLAUGHLIN. Would you like to finish your statement before any questions are asked?

Mr. FIELD. I have no objection to questions at any time, Mr. Chairman.

Mr. McLAUGHLIN. On the point that you have just mentioned, it has been suggested here by some of the members attending this hearing that if the law is amended as suggested in the bill as introduced and as originally considered by the Senate before this amendment, the result might be that some minor officer might be vested with authority to grant a waiver of the inspection requirements and thus permit boats to be allowed to leave ports in such condition that the safety of the crew and of any of our armed forces who might be on board might be endangered.

What comment would you have to make on that?

Mr. FIELD. Well, I will try to give you a hypothetical example. Let us say, for instance, that there is a ship in one of our ports in which it is proposed to move troops. The Secretary of War might ask the Secretary of Commerce to permit the transportation in that vessel of more troops than the certificate of inspection of the vessel permits. In other words, if it is a passenger vessel and still operated commercially under its certificate of inspection, it might not be allowed to carry more than 800 passengers. Supposing they wanted to put more than that on board. As long as the vessel is in good condition and she has

boats and life rafts and life preservers for all the troops, there is no reason to question the safety of that vessel.

Mr. HANCOCK. Wasn't that frequently done in the World War?

Mr. FIELD. In the World War, sir, only 40 percent of the troops that went to Europe from the United States went in American vessels, and only 4 percent of the troops who went to Europe went in commercial American vessels. So that our navigation and inspection laws were not applicable in most cases during the World War. You see, practically all the troops that were carried to Europe in the World War were carried on vessels manned by the Navy and were not carried in vessels subject to the inspection laws.

But leaving aside the technical question of whether it is a public vessel or commercial vessel, the safety conditions are the same, the difference being that if it is a vessel manned by the Navy, then the navigation and inspection laws don't apply.

Mr. HANCOCK. For instance, I went over on a seized German vessel, the *George Washington*. It was packed to the roof. Did that ship come under our navigation and inspection laws at that time?

Mr. FIELD. No; that does not come under the Department of Commerce. The Department of Commerce had nothing to do with that because it was a public vessel commanded by a naval officer and operated by the Navy Department with a crew of Navy men.

Mr. HANCOCK. I guarantee that we exceeded the passenger limit on that trip.

Mr. FIELD. I am sure you did.

Mr. McLAUGHLIN. As a matter of curiosity, since Mr. Hancock has asked you about that, my outfit went over on the *Adriatic*, an English passenger ship operated by the English. The number of troops on board was much larger than the number of passengers the ship could ordinarily accommodate. We landed safely overseas. What were the inspection requirements in that case?

Mr. FIELD. Well, I can't tell you about that. I don't know what conditions the British vessels were operating under in those days. But it is bound to be a fact that there is a great deal of relaxation of the ordinary peacetime safety requirements when you are under the necessity of moving troops in great numbers in wartime.

All the passenger vessels that we have in the American merchant marine today, and I include in that those taken by the War and Navy Departments and at the moment not operating as commercial vessels, will carry at the same time, if limited by their certificates of inspection, 40,000 passengers and no more. Now, how far are you going to get in the waging of a war if you can carry only 40,000 at a time?

Mr. McLAUGHLIN. The waiver of the inspection is the thing that you are recommending in order to speed up the movement of the ships; is that correct?

Mr. FIELD. Yes, sir; absolutely.

Mr. McLAUGHLIN. What practical effects so far as safety and propriety of operation will follow if this amendment is incorporated into the law?

Mr. FIELD. In general, safety standards will be maintained. But that statement is subject to this qualification, and that is if you are going to carry troops in large numbers in vessels, you will have more

men than you have lifeboats for. But in lieu of lifeboats you have rafts and floating equipment and life preservers, and sometimes when you are torpedoed at sea the life raft is more reliable than the boats.

Mr. McLAUGHLIN. Certainly you won't operate a boat carrying troops unless there is adequate security given to each man on that boat in case of torpedoing and insofar as his ability to stay afloat is concerned?

Mr. FIELD. Well, let us take the *Manhattan* for instance. Assume that she has a lifeboat capacity for about 1,700 people. Let us assume that the Army wants to carry a good many more troops than that. Well, lifeboats for that number are already provided and the Army will get equipment in addition that will more than take care of the necessity, such as rafts and floats.

Mr. McLAUGHLIN. That is what I am asking: You will have some sort of a raft available for every person?

Mr. FIELD. Yes; that is right.

Mr. McLAUGHLIN. Even if this law is passed you won't change the operation of the boat to such an extent that there will be any danger that any man will not have some sort of a raft or some similar sort of protection, whether it is a lifeboat or a raft or some other means to stay afloat?

Mr. FIELD. That is right. It should be remembered that there is a limit to the number of davits that can be placed on any vessel; the number of lifeboats that may be carried is limited by the number of davits. The operation is less safe only to the extent that under necessity, while carrying more people in the same ship than in ordinary times, there are not sufficient boats for all persons on board. However, there are sufficient life rafts so every person will be accommodated either in a lifeboat or raft. In addition, there will be a life preserver for each person on board.

The following are examples of some of the situations which we have had to meet by waiving compliance with laws under authority of Executive Order No. 8976, which is practically the same in language as the language of title V in S. 2208 as originally introduced:

Passenger vessels used as troop ships while operating under a certificate of inspection. I have just touched on that.

Cargo vessels when carrying more than 12 persons have certain requirements, such as providing a sprinkler system, fire detection and control systems. In other words, at times it is necessary to move in cargo vessels, not only troops, but civilian war workers going out to the islands to work on war projects. And whenever more than 12 persons are carried in a cargo vessel, that vessel becomes a passenger vessel. If she does not have a sprinkler system and fire-control system and a few other things, she is not in compliance with the law applicable to passenger vessels.

The law requires certain declarations to be made at the customhouse regarding its cargo and its destination. In military movements it is necessary to conceal both the contents of the cargo and the destination.

The law requires that shipping articles, that is, the contract of the sailors with the master of the vessel, shall specify the ports to be visited on a voyage. Now, during wartime it is necessary to conceal the movements of ships and it is necessary to leave those details out of shipping articles.



It is necessary from time to time upon specific occasions to authorize the employment of foreign-flag vessels, and during war time that must be facilitated. For example, the Maritime Commission is building ships on the west coast. Boilers are built in one port on that coast and must be carried to another port to be installed in the ships. Although there may be no American vessel available for the next week or 10 days, it may be necessary to get them down there immediately. In such cases, they may be carried in a foreign ship.

Ships which suffer casualties at sea are required to make immediate reports by radio. Well, they can't do that in wartime. They have got to keep their radio quiet. And in some instances it is necessary to waive the laws requiring a ship to make entrance and clearance in a customhouse.

The law requires that persons shall be furnished suitable berths and prescribes the space that must be allowed each man. When troops are carried on a ship, this requirement cannot always be met.

It probably will be necessary to waive some laws in order to reduce the time for qualifying a seaman. Certainly waiver is necessary for the law requiring the names and hailing ports of ships to be painted on them. These must be removed so that the ships won't be recognized.

Another law specifies the crew a ship shall carry when she is under way at sea. It has been necessary to reduce the requirement of that law in some cases and we have many problems of that kind coming up. The most frequent one that comes up is the necessity of permitting a vessel to sail when she is ready even though there may be shortages in certain ratings in her crew, and it is necessary to substitute a lesser rating for one that is normally required.

I note in the light of some remarks that were made in connection with a previous witness here that the chairman of the House Committee on Merchant Marine and Fisheries is giving the matter some thought and that you have a letter here from Judge Bland.

Mr. McLAUGHLIN. Judge Bland's letter is in the record.

Mr. FIELD. I will tell you what we usually do. If some urgent situation arises in New York in connection with some vessel that is due to sail there tonight and somebody in the Navy Department or the War Department called us up and told us it was ready to sail and that a letter of authorization was going to come from the Secretary of the Navy, but that he wanted the vessel to sail immediately, I think we would be highly unreasonable if we said we would have to see the letter first. In other words, we would give him immediate authorization.

Mr. McLAUGHLIN. Have you anything further to say?

Mr. FIELD. No, sir; only to say in our opinion the amendment placed on this in the Senate would be disastrous to national defense.

Mr. McLAUGHLIN. That is a very strong statement, quite a persuasive one. Is there anything further on title V? I believe there is a representative from the Army here.

#### STATEMENT OF LT. COL. D. C. WATKINS

Lieutenant Colonel WATKINS. I am Lt. Col. D. C. Watkins, of the office of the Quartermaster General. I might say at the beginning that this matter has been thoroughly covered by Commander Field. There is no tendency on our part to send any vessel to sea that is not seaworthy per se, that is, whose hull is not sound. There is a necessity,

as he stated, of carrying in excess of the normal rate of passenger capacity of peacetime, supplementing the boat equipment by rafts and preservers, and we invariably carry a considerably larger amount of this equipment than is required for the passengers and crew in the way of life preservers, life rafts, and floats. The carrying of explosives and gasoline, as you know, is a military necessity.

Mr. McLAUGHLIN. As a practical matter, I suppose that in addition to the safety devices, such as lifeboats and rafts and the like, as was done during the last war when it took us 14 days to go from New York to Liverpool, you will have drills every day in the manning of these devices.

Mr. HANCOCK. We called them "drowning" drills.

Mr. McLAUGHLIN. Yes; every day at a given hour or upon signal without warning we would be assembled at the place where we were told to assemble in the event that our boat should be struck by a torpedo.

Lieutenant Colonel WATKINS. That is right.

Mr. McLAUGHLIN. Now, will that be continued?

Lieutenant Colonel WATKINS. Absolutely.

Mr. McLAUGHLIN. And sufficient craft will be supplied to take care of every person on the boat? Are we assured of that?

Lieutenant Colonel WATKINS. Yes, sir; it is my job to do that and we invariably, as I have stated, provide more space on rafts and boats and floats than is required by the entire personnel. There is always an excess of life preservers and boats.

Mr. HANCOCK. And every man is assigned to a definite place on a boat or a raft.

Lieutenant Colonel WATKINS. Yes.

Mr. HANCOCK. And there is a surplus so as to take care of an emergency?

Lieutenant Colonel WATKINS. Yes.

Mr. HOBBS. Do you concur in Commander Fields opinion that it would be disastrous to national defense if this amendment were passed?

Lieutenant Colonel WATKINS. Absolutely, sir.

Mr. McLAUGHLIN. Thank you very much, Colonel. Is there any other testimony?

Commander HAUSER. Yes.

#### STATEMENT OF COMMANDER HAROLD A. HAUSER

Commander HAUSER. I am Commander Hauser, from the Navy Department. I would just like to say briefly that the Navy Department is in complete accord with the observations of Commander Field, and we believe that the amendment that the Senate has inserted is injurious to the interests of national defense.

Mr. McLAUGHLIN. Thank you very much. Are there any other witnesses here who wish to talk on title V? Now we have a few witnesses here on behalf of the manufacturers of vending machines who are interested in the metallic content of 5-cent pieces, and they have asked to be permitted to come before the subcommittee and make a statement.

Mr. HANCOCK. That is with respect to title XV.

Mr. McLAUGHLIN. Yes. Will you please identify yourself for the record?

**STATEMENT OF EDWARD RICHMOND, REPRESENTING AUTOMATIC  
CANTEEN CO., CHICAGO, ILL.**

Mr. RICHMOND. My name is Edward Richmond, 1430 Merchandise Mart, Chicago, Ill.

Mr. McLAUGHLIN. What is your connection with this bill?

Mr. RICHMOND. I am a mechanical engineer employed by the Automatic Canteen Co.

Mr. HOBBS. The Automatic Canteen Co.?

Mr. RICHMOND. Yes.

Mr. HOBBS. What is that?

Mr. RICHMOND. That is an operating company selling food products through merchandising machines.

Mr. McLAUGHLIN. Do you want to make some observations on title XIII, with reference to the metallic content of the 5-cent piece?

Mr. RICHMOND. Yes, sir. As a mechanical engineer, it is my duty to supervise the design of these automatic dispensing machines and to keep them operating in the field, and in the performance of those duties I am familiar with the different mechanisms, not only those operated by my company, but I have to keep in touch with the industrial field and know what others have since we don't manufacture our own equipment, but buy it.

Also, in the maintenance and field work it is my duty to see that all field troubles are corrected, such as the acceptance of spurious coin by the machine which cut into the revenue, and other mechanical troubles that arise. And in traveling around the country I have a better chance to see what happens.

The only point I want to make to you is that with the Taft amendment removed from S. 2208 and with the O'Mahoney amendment substituted, the Treasury Department will be allowed some leeway in order to work out an alloy which will work in all existing equipment just as well as any nickel. But with the Taft amendment in there it limits the divergence from 50 percent silver and 50 percent copper to a total of 10 percent and we know of no known alloy at the present time made with that small amount of other metal which will interchange with the present nickel.

Mr. HANCOCK. You are now troubled with different slugs with which people defraud your machines. How would this new coin increase your difficulty?

Mr. RICHMOND. No; the new coin has no connection with that. This new coin will not defraud the machines at all because it is thrown out.

Mr. McLAUGHLIN. The 5-cent piece as called for in the act is to be composed of 50 percent copper and 50 percent silver. That will not operate your machine, you say?

Mr. RICHMOND. That will not operate our machines. It will make the machines inoperative.

Mr. McLAUGHLIN. Well, it will be thrown out just like a spurious coin?

Mr. RICHMOND. That is correct.



Mr. McLAUGHLIN. But if you could incorporate with those two metals a certain percentage of some other alloy, it will work in your machines?

Mr. RICHMOND. Yes; as does the present nickel.

Mr. McLAUGHLIN. It will work just like the present nickel.

Mr. RICHMOND. That is right, but the restrictions as now contained in the bill are so narrow that we don't know if we can find a combination that works.

Mr. HANCOCK. Do you want to substitute other metals in addition to silver and copper not to exceed 10 percent of the weight?

Mr. RICHMOND. We don't know what it is going to take because there is no known combination with silver and copper at the present time that will work. It might take 12 percent; it might take 20 percent.

Mr. HANCOCK. I believe this gentleman here told us you would be satisfied with a 10 percent leeway.

Mr. SPINGARN. By weight, Mr. Hancock. The proportions of coins have always been determined by weight, and that was simply a technical error in the amendment that has no bearing on the general issue here.

Mr. McLAUGHLIN. The matter of consequence was the 10 percent?

Mr. SPINGARN. Yes, Mr. Chairman. The matter of consequence was the restriction figure.

Mr. McLAUGHLIN. Now, addressing a question to the witness: Your point is that if the alloy permitted to be used is limited to the amount of 10 percent by weight, your industry is fearful that it cannot overcome the present situation in which the coin is rejected?

Mr. RICHMOND. That is correct.

Mr. McLAUGHLIN. And that you are favorable to the amendment which does not place any percentage restriction on the alloy or the amount of the alloy that might be incorporated with the silver and copper in the new 5-cent piece?

Mr. RICHMOND. That is correct.

Mr. Cox (Office of Emergency Management). May I interrupt?

Mr. McLAUGHLIN. Yes.

Mr. Cox. I understand that Mr. Taft is willing to change the 10 percent to 25 percent. I think you might want to ask Mr. Richmond about that.

Mr. McLAUGHLIN. What have you to say in view of that representation?

Mr. RICHMOND. Well, we have tried in the week that has transpired since we first heard of this some 10 or 12 alloys which were made up of at least 45 percent copper and 45 percent silver, and we could get nothing which gave us even any encouragement. We are trying to find a combination that will work. Whether we can hit it at 12 or 18 or X percent we don't know. It may be a new percent of a number of different alloys that will accomplish it. But we have no assurance. I strongly feel that the limitation should be wide enough to allow the thing to be solved.

Mr. McLAUGHLIN. What do you consider wide enough? Have you any views on that?

Mr. RICHMOND. We know in certain German silvers that there is a 30-percent zinc content and an 8-percent nickel content, and a combination of something like that might work. Zinc is not particularly

critical. But if you limit the thing to 25 percent, you might need 25 percent zinc and 2 percent nickle to make the thing work. We don't know. And to try to figure it in advance is hard.

After all, I understand that the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper. Why not leave it wide enough open to get a satisfactory solution?

Mr. McLAUGHLIN. The O'Mahoney amendment, I believe, requires the action by the Director of the Mint with the approval of the Secretary of the Treasury and the Chairman of the War Production Board to vary the proportions and silver and copper and to add other metal.

Mr. RICHMOND. That is the way I understand it.

Mr. HANCOCK. Why must we have copper and silver? Is there some good reason for that?

Mr. RICHMOND. I can't answer that. That was written into the bill originally. The nickle coin has never had silver in it. It has always had copper and nickle.

Mr. HANCOCK. What are the proportions?

Mr. RICHMOND. Seventy-five percent copper, 25 percent nickle.

Mr. McLAUGHLIN. At present?

Mr. RICHMOND. At present.

Mr. McLAUGHLIN. This will cut down the amount of copper from 75 percent to 50 percent?

Mr. RICHMOND. Seventy-five percent to 50 percent.

Mr. McLAUGHLIN. With a tolerance for alloy?

Mr. RICHMOND. That is right.

Mr. McLAUGHLIN. And would substitute 50 percent silver for the 25 percent nickel and 25 percent copper?

Mr. RICHMOND. Yes.

Mr. McLAUGHLIN. And, therefore, free that much nickel and that much copper for use as strategic war material?

Mr. RICHMOND. That is correct.

Mr. HANCOCK. Is it an insurmountable obstacle to change your apparatus so that it could be operated by the formula now in the bill?

Mr. RICHMOND. Well, sir, if we are to conserve critical materials; yes. You are going to save, according to last year's coinage, 435 tons of nickel by this change. It would take probably 10 times, or 20 times that amount of critical metal to change these slug detectors in existing equipment, and I think it would be rather poor economy.

Incidentally, if you study the coined record, there were several years within the last 10 or 15 years when no nickels were coined, and some years were very low; 1941 and 1940 were rather high. But on the average they coined about three times as many nickels last year than they did over the 10- or 12-year period. So on the average over that period you would save quite a large amount of nickel.

I would say that the average vending device has two or three pounds of critical metal in the slug detector, and if you change a million and a quarter of them you can see what it would amount to.

Mr. HANCOCK. Do the pay stations of the telephone companies use that same detector that you speak of?

Mr. RICHMOND. The telephone company has been quite concerned about these spurious coins, and they have now in test in certain cities, so I am told, a number of slug detectors using this electro-magnetic principle and they are about to standardize on them for all pay stations.

Mr. SPINGARN. Mr. Hancock, I have talked to the telephone people about that situation. While it is true that they have experimented and thought of using this type of electrical detector, it is some time in the future before they expect to use it, certainly not until the war is over. They have only 42 of these machines which are on test in Chicago, but they don't intend to put them into general operation until the war is over.

Mr. HOBBS. Can you get this nickel or any other strategic war material to change your equipment?

Mr. RICHMOND. Oh, no; I don't believe I made that point definite.

Mr. HOBBS. What you mean is it would put you out of business?

Mr. RICHMOND. I think you gentlemen know that there is order L-27 limiting vending-machine production which absolutely prohibits 100 percent the use of certain critical metals starting the first of February. We may not use any aluminum, copper, stainless steel—I don't remember them all, but there are eight critical metals that you cannot get, and we are perfectly in accord with that ruling.

Mr. HOBBS. The point I was making is that by this change we would be saving so much nickel because you could not get it at all.

Mr. RICHMOND. Yes; you are perfectly correct on that. The only point I was making is this: Perhaps I did not make my point clear. This gentleman asked me if we could not change our existing slug detectors to handle the new coin, and I simply pointed out that we could change them if we could get the metal. But in doing so it would perhaps take a great deal more in critical materials to make the change as the saving in nickel which would be affected by changing the content of the coin. Do I make myself clear on that?

Mr. McLAUGHLIN. Do you feel fairly satisfied that you have had a sufficient amount of experimentation to determine definitely that you cannot operate successfully with the new 5-cent piece that has only 10 percent alloy in addition to silver and copper?

Mr. RICHMOND. Well, gentlemen, nothing is impossible to an engineer providing he is given time and money to solve the problem. Anything can be done with time. But we say that in the time which has elapsed that we have been unable to even find anything encouraging. We have absolutely tried our best because we would be very happy to find a solution.

Mr. HANCOCK. The biggest users of slot machines are the telephone companies, I suppose.

Mr. Cox. And subways.

Mr. HANCOCK. What proportion of slot-machine companies use your device?

Mr. RICHMOND. They do not use it in subways and they do not use it in telephones.

Mr. HANCOCK. If that is so, where is it used?

Mr. RICHMOND. When you say "use our devices," we don't manufacture the devices; we buy them from people making slug detectors.



There are two firms in the United States who make from 80 to 90 percent of all the slug detectors used. It is a highly specialized business, and we buy our devices from them. They tell us that there are at least a million and a quarter of those devices used on merchandise machines.

Mr. HANCOCK. Including gambling machines?

Mr. RICHMOND. No; the gambling machines, as I understand, don't use any slug detectors. They have a visible window, as perhaps anyone from Chicago can testify to because they are quite prevalent there. This window shows about the last five coins deposited, and they depend entirely upon a visual inspection to see that no slug is deposited. I don't believe they have any slug detector.

But they don't sell you anything for your money. I want to make that distinction. But in these coin-vending machines we give you an article which costs money and costs a definite percentage of the money taken in. Whereas in a gambling machine, if you get 20 percent of what goes in, you are getting a pretty good percentage back.

Mr. HANCOCK. How many of these devices did you say are in use?

Mr. RICHMOND. One million and a quarter.

Mr. HANCOCK. Separate individual machines selling cigarettes and candy bars and salted peanuts?

Mr. RICHMOND. That is right; and sandwiches, and apples, and sanitary napkins.

Mr. HOBBS. And Coca-Cola.

Mr. RICHMOND. Coca-Cola and carbonated beverages and milk.

Mr. HANCOCK. And there is the automat.

Mr. RICHMOND. Yes; there is the automat in the big cities.

Mr. McLAUGHLIN. To sum it all up, you are favorable to the O'Mahoney amendment and you feel you would be severely handicapped if the Taft amendment were adopted?

Mr. RICHMOND. I am afraid you will put us out of business if the Taft amendment is passed.

Mr. HANCOCK. How does the Treasury feel about it?

Mr. SPINGARN. The O'Mahoney amendment was not sponsored by the Treasury Department, but we have no objection to it. I can't see any harm in it from the Government's standpoint. I will say this, that I think Mr. Richmond is unduly apprehensive when he says it will put him out of business.

The reason I say that is this: There are 2,200,000,000 of the old-type nickels in circulation right now. We made 315,000,000 nickels last year. If we make that many new silver-copper nickels next year, they would still constitute only one-eighth of all the nickels in circulation. Hence, if a man dropped one of the silver nickels into one of these vending machines, he would have 7 chances out of 8 of it working. And, in the second place, if it did not work, he could walk over to the counter and get another nickel, an old-type coin, or ask a person near him for one.

Mr. HANCOCK. You don't propose to call in the old nickels?

Mr. SPINGARN. No; this bill wouldn't authorize that.

Mr. HOBBS. What happens to the slug? Does the purchaser get it back?

Mr. RICHMOND. I concur in the computations which this gentleman makes and I have no argument against that. But there are other practical considerations that come into the picture. As I understand it,

the plan is to mint this new coin with the existing Jefferson dies so that it will look very similar from visual inspection to the present nickel. And one will not be able to tell whether it is made of the new alloy or the old alloy.

Mr. SPINGARN. It will be the same size and design, but it will be shinier; it will be even more beautiful, though it will get a little yellowish as it gets older.

Mr. McLAUGHLIN. The silver will do that, of course.

Mr. SPINGARN. Yes.

Mr. RICHMOND. If I may continue, most of our machines are in different defense plants, and a man in a defense plant dropping one of these new coins into the machine and not getting his merchandise usually begins to shake the machine, and for that 5-cent loss of merchandise we may have a \$50 repair bill. And I earnestly and honestly say that this will put us out of business. When people put a nickel into one of these machines they want their merchandise, and they want it fast.

Mr. McLAUGHLIN. We can't blame them for that.

Mr. SPINGARN. Mr. Chairman, could I very briefly put into the record the background of this proposal? Most of the discussion so far has been about this difficulty involved, and not about the very pressing need for this legislation.

Mr. McLAUGHLIN. We will be very glad to have you do so.

Mr. RICHMOND. Would you be interested in seeing how this device works?

Mr. McLAUGHLIN. We would be very glad to see it at the conclusion of the hearing.

Mr. RICHMOND. I don't want to waste your time.

Mr. McLAUGHLIN. No; just stay where you are until Mr. Spingarn gets through.

Mr. SPINGARN. This whole thing started last summer. Donald Nelson asked us to see what could be done toward eliminating nickel from these coins because of the fact that nickel was becoming more and more critical all the time. He wrote us a letter sometime in the fall in which he indicated that because of the absence of nickel they had to deny a priority to a proposed plastic plant. The plastics that that plant could have manufactured would, according to Mr. Nelson, have replaced 8,000,000 pounds of aluminum, 18,000,000 pounds of chrome nickel plated steel, 6,000,000 pounds of stainless steel, and 34,000,000 pounds of zinc. That request had to be denied that plastic plant because of the shortage in nickel, and as Mr. Nelson stated in his letter to us, 1 month's mint use of nickel in 5-cent pieces would have permitted him to grant that request.

The amount of nickel used in the 5-cent pieces in the year would be sufficient to provide the armor plate for 1,000 heavy tanks. The actual nickel saving is 870,000 pounds, on the basis of the number of 5-cent pieces made in the fiscal year 1941, about 315,000,000. Under the bill, that amount of nickel would be made available for war production and so would 870,000 pounds of copper. So with that in mind we went ahead and made elaborate and intensive experiments lasting months. The only formula which we were able to hit upon that, first, eliminated strategic materials, and, second, could be used in existing mint coin-making equipment,—which is important, of

course, because we can't get new type equipment because of priorities—and, thirdly, was substantially identical with the existing nickel, that is, identical for all practical purposes in size and weight and other physical properties, was this formula which is incorporated in this bill, 50 percent silver and 50 percent copper.

Now, we would be very glad to go ahead and experiment further under the O'Mahoney amendment to see if we can't perfect something that will solve the vending device problem. Whether or not we can find such a formula which also meets the other basic requirements is an open question.

Mr. McLAUGHLIN. Let me ask a question there: The real purpose of this amendment by which you will cause the nickel to be composed of 50 percent silver and 50 percent copper is to release the copper and the nickel which would otherwise go into the 5-cent piece for use as strategic material?

Mr. SPINGARN. Exactly, and particularly the nickel. The copper is of relatively less importance.

Mr. McLAUGHLIN. It is of less importance?

Mr. SPINGARN. But still important.

Mr. McLAUGHLIN. But still important, as I understand the situation.

Mr. SPINGARN. Yes, sir.

Mr. McLAUGHLIN. Now, if you add an alloy you release that much more copper; do you not?

Mr. SPINGARN. That is right.

Mr. McLAUGHLIN. So that if you do it from the standpoint of the objective of releasing strategic material, the greater the amount of alloy that can be incorporated in this new 5-cent piece, the greater the amount of the strategic material there will be released?

Mr. SPINGARN. That is quite right, and that is why I personally think the discretion granted by the O'Mahoney amendment is perhaps beneficial.

Mr. HANCOCK. Is there any metal which is not a critical material?

Mr. SPINGARN. There are varying degrees of criticalness. Some are more critical than others and some are less critical. Copper is critical, but not as critical as nickel.

Mr. McLAUGHLIN. You would attempt to incorporate an alloy that is less critical?

Mr. SPINGARN. Yes, Mr. McLaughlin.

Mr. HOBBS. By the time you get all ready to coin it, will it amount to anything? It seems to me that this is a rather moot question. By the time you get through with your experiments to determine an alloy that will be acceptable, his machine won't sell you anything for a nickel.

Mr. SPINGARN. Of course, there are many machines in operation that won't be prejudiced by this, the great majority of all coin-operated devices won't be affected.

Mr. McLAUGHLIN. Coming from the South, as Judge Hobbs does, that is close to heresy. The Coca-Cola bottle will always be sold for 5 cents.

Mr. HANCOCK. It will get smaller and smaller.

Mr. SPINGARN. I might add one further thing. Some of the vending machines don't work now on the old Liberty type nickel, which



was the one before the Jefferson and the Buffalo nickels, because it is too smooth. Some of these machines won't take slugs or smooth coins. They use a feeler device that works on the basis of the relief on the coin, rejecting coins that are too smooth.

Mr. RICHMOND. Less than 2 percent of the machines in use operate on that principle.

Mr. SPINGARN. I don't know what the figures are. In fact, as I've found out, all figures on the number of coin-operated devices in use are very hard to get.

Mr. McLAUGHLIN. All right. We thank you very much, gentlemen.

## SECOND WAR POWERS ACT, 1942

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MONDAY, FEBRUARY 2, 1942

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON THE JUDICIARY,  
*Washington, D. C.*

Subcommittee No. 4 this day met at 10:30 a. m., Hon. Charles F. McLaughlin presiding, for further consideration of S. 2208.

### STATEMENT OF HON. HOWARD W. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. McLAUGHLIN. Let us hear Mr. Smith first this morning.

Mr. SMITH. While you are considering a war-powers bill I want to direction attention of gentlemen of the committee to some things not in the pending bill but which we must come to sooner or later, I hope soon. I refer to consideration of suspension of certain labor laws during the war. I have particular reference to the 8-hour law, known as the wage-hour law, which I believe is seriously handicapping some of our national-defense efforts. Incidentally, the Walsh-Healey Act should, in my opinion, be suspended. There are other provisions of law that I could go into in more detail, but I do not have them immediately before me. I want to bring them to the attention of members of the committee informally, hoping that they will give serious consideration to them before reporting out the pending proposal.

There are a number of unrelated subjects in this bill under different titles. I am not so well prepared to present this matter as I should like to be in discussing the subject.

This bill, of course, was before the Senate recently. I wanted but could not get a copy of the pending bill before last Friday.

I hope this committee will carefully consider suspension of these laws to which I have referred, but if you do not feel that you can write such suspension into the pending bill, I hope that when you go before the Committee on Rules to apply for a rule you will suggest that the rule be made broad enough so that the title may be offered and the House have an opportunity of accepting or rejecting it.

Mr. McLAUGHLIN. Mr. Smith, I might say that this subcommittee is considering a bill that was brought out with the approval of the President and as the result of work done by a group that might be called a subcommittee appointed for the purpose of considering the question of war powers. We have had before us Mr. Biddle, the Attorney General, who explained the method by which the bill was prepared. He pointed out that this committee, acting under the

approval of the President, was composed of representatives of the Department of Justice, the Office of Emergency Management, and the Bureau of the Budget. He explained that the committee wrote to all the departments and requested them to clear through Mr. Biddle any legislation they had in mind. That was done because the bill is extensive in character and affects different departments. Mr. Biddle stated that the committee made it a practice in each instance to meet with the general counsels of the departments interested in any specific title and to clear the bill through all departments concerned, and also through the Bureau of the Budget: so that we have before us a bill of an emergency character designed to remove impediments in the way of war activities and designed to smooth the way so far as possible for a speedy consideration of matters affecting the war and speedy action for the purpose of carrying on war activities properly.

There may be many desirable things which the Congress should do and may later be called upon to do, but for the purpose of immediate action I have attempted to outline the situation and to explain the province of the committee and the problem presented to it.

We are glad to hear you, but I want to make this statement in connection with anything that may be said.

MR. SMITH. If I may comment briefly upon the chairman's observation, and without meaning to be in any way offensive, may I say that, ever since I have been in public life, I have felt that legislation is a matter for congressional determination. It is, of course, well to have the views and recommendations of the President, the Attorney General, the Director of the Bureau of the Budget, and the heads of departments affected by a proposal, but the ultimate and final responsibility for legislation rests right here.

MR. McLAUGHLIN. No member of this subcommittee, including this commentator, disagrees with that declaration in the least. No member of the subcommittee has the slightest desire to shirk or evade responsibility in this connection, but I have presented to you a practical condition which calls for immediate action in an emergency.

MR. SMITH. I am not asking you to delay action to any degree. I am simply suggesting that you put in the provisions I have suggested if you in the performance of your legislative functions think the principle is desirable.

Glancing at the pending bill, I see that you have an emergency matter about printing nickels. I do not think that is very important.

MR. McLAUGHLIN. On its face it does not seem to be important, or to be an emergency measure, but when you study it further you will find that such provision has an effect upon the war in that it will release a great quantity of strategic material that is extremely important in the conduct of the war.

MR. SMITH. I do not say that such provision should not be in the bill. Then you have a provision in regard to according service men the free use of the mails; you have certain provisions in the bill about immigration. I grant that all those things may be very important; but I respectfully submit that they are not nearly so important as is the putting of our production program on something better than a 40-hour workweek, if we are going to win the war.

MR. O'HARA. Do you feel that the enemy is not working on a 40-hour workweek basis?



Mr. SMITH. He is not; but he is working with slave labor, as we all know.

The Member of Congress from Youngstown, Ohio, took the floor the other day and talked about the shortage of scrap iron. He said that in Youngstown were three blast furnaces not operating because they could not get scrap iron. I read only this morning that there is sufficient scrap iron at the mines, but, since they have to handle it outside the regular working hours, or on Sundays, for which work they have to pay double time, the cost of production is so great that it exceeds that which may be had for the scrap iron. We are persisting in such silly procedures and I think they are seriously handicapping our war effort: and therefore I deem it to be my duty to come before you and submit this proposition, which you can correct if you will. As I suggested before, if you do not feel that you can embody my proposal in the bill, I hope you will at least suggest to our Committee on Rules that it provide a rule that will be broad enough to allow the House itself to pass upon this proposal.

Mr. ELLIOT. May I suggest that the Federal wage-hour law does not provide for double time on Sunday.

Mr. SMITH. It provides for the payment of time and a half for Sunday work.

Mr. KEFAUVER. Referring to your comments upon the provisions of the Walsh-Healey Act, that can be suspended now by action of the Secretary of Labor under certain circumstances, I believe.

Mr. SMITH. Yes: it can be done.

Mr. KEFAUVER. Has that been done?

Mr. SMITH. Not to my knowledge. The 8-hour law enacted in 1912 prohibits working more than 8 hour a day on certain public works.

If it be the position of the subcommittee that it is not in position, owing to prevailing conditions, to go into the proposition, it is not worth while for me to discuss it further.

There might be another title that would suspend certain practices that we may think should be suspended during this emergency. I have in mind, specifically, the provision concerning reinstatement of employees who have been discharged for misconduct and so forth. The Labor Board may go to an employer and direct him to reinstate an employee who has been discharged for, say, drunkenness. That right should not exist in time of national emergency.

Again, the Labor Board has full access to all books of any contractor. You gentlemen are familiar, of course, with the investigation of the National Labor Relations Board, during which it was disclosed beyond question that some folks connected with that Board were folks you would not want looking at the books of a national defense contractor and giving the information therein to the world.

Mr. HANCOCK. Mr. Smith, Senator Connally made a similar suggestion in the Senate, and it was stated in answer to the suggestion that any labor legislation in the bill would be so controversial that it would jeopardize passage of the bill. We enacted a reasonable labor bill in the House, as I believe, but you and I know what happened to it at the other end of the Capitol and why.

Mr. SMITH. Yes. Still, this proposal could not so bog down, and that is the reason I would like to have it in this bill. In case my proposal is embodied in this bill, the Senate would have to vote yes

or no when the bill went back to it. There would not be any burying of the bill in the so-called Senate graveyard, namely, the Senate Committee on Education and Labor.

Mr. McLAUGHLIN. Thank you, Mr. Smith.

#### STATEMENT OF MAJ. F. V. KEESLING, JR., LEGISLATIVE OFFICER OF THE SELECTIVE SERVICE SYSTEM

Mr. McLAUGHLIN. Let us now hear Maj. F. V. Keesling, Jr., United States Army, legislative officer, Selective Service System.

Major KEESLING. Mr. Chairman and members of the subcommittee, I am here on the spur of the moment and without having had an opportunity to clear this matter through the Bureau of the Budget. Therefore, what I may say does not have the sanction and approval of the Bureau of the Budget and, therefore, I cannot say that it is either in accord with, or contrary to, the program of the President except to call your attention to the fact that the wording of title VII of the pending bill as originally introduced in the Senate had the approval of the President's Special Committee on Defense Legislation and in such form would have been entirely satisfactory.

I deem it advisable to make some observations which, I submit, should be given your careful consideration. Title VII of the pending bill at the outset excluded local Selective Service board members from certain Hatch Act coverage, but as amended in the Senate such title in its present form expressly brings such board members under the Hatch Act coverage in question.

Mr. McLAUGHLIN. All of us are familiar with this provision of S. 2208, the pending bill. As I understand, you want to raise some objection to the action of the Senate in providing that the Hatch Act shall apply to individuals called to serve on Selective Service Act boards; is that correct?

Major KEESLING. Instead of saying I object to those provisions I would prefer to say that I desire to call to your attention certain matters for your consideration in connection with those provisions. Obviously, the question of whether or not the Hatch Act provisions in question shall be made applicable to noncompensated Selective Service personnel is of great importance when one considers that there are approximately 22,350 local board members, 6,950 Government appeal agents, 32,000 local board physicians, and 1,597 appeal board members who are rendering patriotic services of the greatest value without any compensation, many of whom are citizens of considerable standing in their communities and are in the normal course of their private lives interested in local, State, and National affairs. It is believed by our headquarters that investigation will disclose that a great many of these men who are members of both major political parties will, in the normal course of their civilian activities to which has been added the additional, but incidental function of serving their country without compensation as a part of the Selective Service personnel is of great importance when one considers that with local, State, and National elections.

It is believed that if such normal activities on their part were forbidden, such men would discontinue their patriotic functions rather than permit interference with what they might reasonably consider

to be their normal freedom of action as private citizens. In this connection it must be recognized that these men are not primarily officers or Government employees. They are primarily engaged in their personal, private, civilian pursuits, and their uncompensated services rendered in connection with the operation of the Selective Service System are merely part time and incidental to their own private endeavors and occupations. Such persons are to be distinguished from those who are compensated for their full-time services.

If the Hatch Act is construed to be applicable or is made to such persons, great disruption in the operation of the Selective Service System, as well as great disruption of our war effort might result.

Those are the observations I desired to make to the subcommittee.

Mr. McLAUGHLIN. The Senate considered this matter as the bill was originally drafted. It exempted the class in which the Selective Service board members would be included, and the Senate amended the act so as to include members of Selective Service boards and it also included one other class—namely, those having to do with the awarding of contracts connected with war activities.

Mr. SPRINGER. As I understand, your thought is that the Selective boards should not be disrupted at this particular time. One thing that impresses me very strongly is the question as to whether anybody who is engaged in politics should be permitted to remain as a member of a Selective Service board. If a man should be serving in a political office the urge might be strong, sometimes, in rendering decisions with respect to the induction of boys. Do you not think that, from the standpoint of making those boards entirely fair and not subject to any public condemnation, it would be far better to have those boards composed of those not largely engaged in politics and especially those not holding public office?

Major KEESLING. I believe that it comes down to a matter of degree. I believe there is always a reasonable line of demarcation. I followed the Senate debate of this question, and, as I recall without having gone into the subject to a great extent, some of the Senators believed there were other provisions in the Hatch Act that adequately effect the safeguards without having this particular section which includes the local Selective Service representatives.

Mr. SPRINGER. There is one thing that seriously impresses me, as it must so impress everybody else, namely, that these Selective Service boards should be entirely above suspicion.

Major KEESLING. There is no question about that.

Mr. SPRINGER. If a man holding public office or one engaged in politics or one engaged in a political campaign for public office should be a member of a board, would not that tend to bring censure to that board in the particular community affected? It seems to me that such a condition would be disastrous in the minds of the people concerned respecting decisions made.

Major KEESLING. There is no question about that. Our operations have to meet the thorough approval of the public; we must have the complete confidence of the public.

Mr. O'HARA. If boards are constituted improperly there would be a break-down of the confidence of the people in the operations of those boards.

Major KEESLING. There is no question about that.



Mr. KEFAUVER. Are the members of the selective-service boards under the Hatch Act?

Major KEESLING. I do not know of any well-defined decision on that point, but I would have to check the authorities and be sure.

Mr. KEFAUVER. To what extent would this upset your present selective-service personnel? Have you any figures as to how many men might have to relinquish their patriotic positions if they were prohibited from taking part in political affairs by the Hatch Act?

Major KEESLING. I have no exact figures as to that. I believe some tabulation as to that could be made. As I said before, it seems to me that there is a question of degree involved: to what extent does a man have to be engaged in some sort of political activity to be prohibited from serving on a local board. Let us consider the Government appeal agents. I know many of them in San Francisco, which is my home, who, in doing their duty in the community, are serving on some sort of board or in an activity that has to do with politics.

Mr. KEFAUVER. It would be difficult for some to determine when they were engaging in pernicious political activity.

Mr. O'HARA. The activities of a member of such a board might be so far-reaching as to be disruptive not only to the boys in the service but also to the members of the boys' families and the public, generally.

Mr. HANCOCK. Is there anything that could be more destructive of confidence than to have prejudiced or partisan members on these draft boards?

Major KEESLING. The point I am trying to make is, what is the definition of the word "politician"? Are you going to define a politician as a young attorney engaged in his practice and at the same time engaging in politics, taking an interest in public affairs? Is such a man to be debarred from sitting on a selective-service board, and be replaced by a person who keeps out of public affairs simply from selfish motives, because he is lazy or is afraid of incurring the discredit or disfavor of various elements of his community?

Mr. O'HARA. What would you say as to a condition that would arise if you had a local public feeling that certain members of a selective service board of a certain political party were knowingly going to draft as many as possible for the membership of an opposing political party? What kind of condition would you have then?

Major KEESLING. I believe that a situation of that sort would certainly have to be remedied. It would discredit the system. It is the same as if we should find somebody perpetrating a fraud; as if we should find some local board member under suspicion of having accepted a bribe; we would step in and make sure that such fellow were put out.

Mr. O'HARA. There is no question but what these local boards should be nonpolitical. That is very important.

Major KEESLING. Their actions should not be guided by any politics or partiality.

Mr. O'HARA. Then is it not fair to say in a general way that it is best to throw all the protective legislation we can around them in their work as members of selective service boards?

Major KEESLING. Provided in so doing you do not cause more disruption and more trouble than would exist without such legislation.

Mr. O'HARA. We have got to draw a line somewhere.

Major KEESLING. That is exactly the point I was attempting to make. The line should be reasonable and so drawn as not to permit fraud and discredit to come to the system and at the same time not make the average citizen feel that you are attempting to prevent some of the leaders in the communities, right-thinking men, from properly participating in this important work.

Mr. HANCOCK. Is there any safeguarding provision in the Selective Service Act itself regarding the personnel of selective boards? We would not want candidates for office to sit on those boards; we would not want local political leaders, county and city and ward chairmen, and others actively engaged in politics.

Major KEESLING. It all depends upon whether we would be able to get adequate and competent personnel otherwise for the boards. You have to draw a line in such a way as to make sure that those boards will be run by those properly qualified to do so.

Mr. HANCOCK. Do you think it necessary in order to obtain adequate personnel for these boards to take in officeholders?

Major KEESLING. I do not know what the situation is in some localities, but I imagine that some officeholders in some communities could render proper service on these boards.

Mr. HANCOCK. We are speaking in generalities. I do not maintain that all politicians or officeholders are immoral or unpatriotic. I would be the last one to charge that. We are speaking of a class of men, and about safeguarding the Selective Service System.

Mr. SPRINGER. You believe, do you not, that these boards should be made free from politics insofar as they can possibly be?

Major KEESLING. Insofar as their actions would be guided by politics or other improper motives. I do not think that it can be accurately said that simply because a man is a politician he is going to use his position improperly and it is going to improperly influence his decisions.

Mr. SPRINGER. If a man is member of a Selective Service board and becomes a candidate for public office, from either party, do you not think that condition would cause grave suspicion on the part of people generally in the community who are affected respecting decisions he might render in connection with the induction of selectees? And do you not think that condition should be avoided?

Major KEESLING. I should like to make an observation that has very much impressed me. I have been acting as Legislative Officer and as such have had contacts with many Members of the House and of the Senate and with many other public officials. Their attitude has been a heartening revelation to me. They seem to feel that these local board members and the Selective Service System are dealing with the lives of individuals and that consequently this is one situation when political influence is out of place.

Mr. SPRINGER. As to the question of suspicion that might be aroused in an incident of that kind, I have in mind one particular board in connection with which an important member has announced that he is a candidate for public office and is actively engaged in campaigning for such office. A condition of that kind, to my mind, is bound to cause grave suspicion in connection with some decisions rendered by that member and by that Board. That is something we are trying

to avoid, because that condition of suspicion would be disastrous so far as the Selective Service System is concerned. Is not that true?

Major KEESLING. If there were suspicions or if the man actually did use his political power to discriminate between registrants, there is no question about it. The observation I was making was that by and large I have found that those with whom I have come in contact holding public office consider this matter quite differently than the average matter. They feel that, perhaps, in something else, such as getting constituents jobs and granting other favors to their helpers, it is all right to employ politics; but in connection with the Selective Service System they are dealing with a matter that may result in the death of one person and the saving of another person's life, which is truly a most sacred trust, and, consequently, they feel that they must be nonpartisan and impartial. So far as people I have contacted in this connection are concerned, they are thinking that this one question is entirely different than any other one.

Mr. O'HARA. Let us take the manner in which these selective service boards were appointed. As I understand, the general procedure when the Draft Act went into effect was that the Governors of the several States named the members of the draft boards without any investigation of any kind as to political activities or affiliations or qualifications. Is that true?

Major KEESLING. The Governors were requested to recommend persons for appointment by the President as members of these various boards. In some States the local judges were requested to make certain recommendations, which recommendations were reviewed by they Governors, and then passed to Washington. By and large, I would say, the recommendations of the Governors were accepted because the system was intended to be one of decentralization insofar as possible.

Mr. O'HARA. It is a matter of fact, I believe, that these boards as they were constituted, on recommendations of the Governors, were created without any particular investigation as to qualifications or worth. Is that right?

Major KEESLING. I would say that was not true generally.

Mr. O'HARA. The National Selective Service System had no chance to investigate those men if they were investigated.

Major KEESLING. By and large, no wholesale investigation was made at Washington. We wanted to get away from that the same as we were opposed to paying local board members. We felt that if compensation were provided, the type of man who was willing to do his work for nothing as a patriotic duty would in many instances not accept appointment, and the politicians would be tempted to put certain of their friends in office. That is the reason we have been opposing the paying of local board members. That is one way to keep them free from politics.

Mr. O'HARA. The point I am making is that in many appointments to these boards the highest type of men were obtained and in other cases men of not so high a type were obtained. I am trying to say that there is no community in the country wherein you could not get men who could serve whom the Hatch Act would not affect and who would be excellent men on those boards.



Major KEESLING. That is exactly what I am wondering. To what extent would this provision prohibit qualified men from serving on these boards?

Mr. O'HARA. Can you imagine any community where you could not get three men to act with the existence of the Hatch Act?

Major KEESLING. In California the Governor called upon the State bar association to make recommendations for the appointment of Government appeal agents to be attached to local boards. The function of the Government appeal agent is to check over each local board classification. He acts in a dual capacity; namely, he protects the registrant and he protects the Government. He takes an appeal in behalf of the registrant, if necessary, or he takes an appeal in behalf of the Government if he feels there has been a wrong decision in favor of a registrant. The work of an appeal agent is very important, indeed. When the Governor of California asked the State bar association to make recommendations, so as to avoid partisan politics, many young attorneys were recommended and their names were forwarded to Washington for appointment. A great many well-qualified men were appointed. I know that a great many of those young attorneys are quite active in connection with local, State, and, perhaps, national political affairs. They belonged to a committee or organization here and there and yet I would hate to see you force those fellows to resign as Government appeal agents.

Mr. O'HARA. I would not disagree with your statement as to those appeal board members, because they are not sitting on questions of judgment in nowhere to the extent as are members of a draft board. I am thinking of those who determine whether a man is to go into the Army or not. I strongly feel the provisions of the Hatch Act should apply to members of the draft boards.

Major KEESLING. My observations seem to be along this line: That by and large the local board members, the same as the Government appeal agents, are, I think, free from political inclinations in connection with their decisions.

Mr. O'HARA. Therefore, the Hatch Act should not apply to them?

Major KEESLING. I personally definitely am of the opinion that the provision of the Hatch Act which we have been discussing should not be made to apply to members of local selective service boards.

Mr. McLAUGHLIN. Major, I think we have a pretty thorough knowledge of this matter by now, and we thank you for your statement.

Mr. STEPHEN T. SPRINGARN, special assistant to the General Counsel of the Treasury Department. Mr. Chairman, on your instructions, I have just spoken on the phone to Secretary Morgenthau personally about title IV of the pending bill, which removes the present prohibitions against the direct purchase of Government obligations from the Government by the Federal Reserve banks. I told him that certain intimations had been made; that it was rumored that the Treasury was not in favor of that title. I asked him whether I might be authorized to tell you direct from his lips what the Treasury's position is on that provision. He told me to tell the members of this subcommittee that not only had he no objection to that provision, but he was heartily in favor of it. He will send the committee a letter, at once, confirming my statement.

Mr. McLAUGHLIN. Thank you.

FEBRUARY 2, 1942.

HON. HATTON W. SUMNERS,

*House of Representatives.*

MY DEAR MR. CHAIRMAN: AS requested by Chairman McLaughlin, of subcommittee IV of your committee, this will confirm Mr. Spingarn's statement to that subcommittee this morning at its executive session reconsideration of S. 2208, the second war powers bill, that I am in favor of the enactment of the provisions of title IV of that bill which removes the existing prohibition of section 14 (b) of the Federal Reserve Act, as amended, against the direct purchase by the Federal Reserve banks of direct and guaranteed obligations of the United States. Under existing law the Federal Reserve banks may purchase such obligations only in the open market.

As Mr. Spingarn told the subcommittee after his telephone conversation with me, any intimations that I object to the provisions of title IV are unfounded. I not only have no objection to this proposed legislation, but I am heartily in favor of its enactment.

Sincerely yours,

(Signed) H. MORGENTHAU, Jr.,  
*Secretary of the Treasury.*

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., February 2, 1942.

HON. HATTON W. SUMNERS,

*Chairman, Judiciary Committee, House of Representatives,  
Washington, D. C.*

MY DEAR CHAIRMAN: This letter pertains to Senate bill 2208 and companion bill H. R. 6403, War Powers Act of 1942. It is proposed to strike certain words from subsection B of section 14 of the Federal Reserve Act, which provides for purchase by Federal Reserve banks of Government obligations. The words stricken out, "but only in the open market," were placed in the act by the Banking Act of 1935, August 23, 1935.

Prior to the amendment of section 14-B by the Banking Act of 1935, which limited the Federal Reserve banks to the use of the open market in purchases of obligations of the United States, the Treasury Department had found it useful, particularly in anticipation of tax collections and in financing its immediate cash requirements, to sell directly to the Federal Reserve banks certificates of indebtedness which frequently had but 1 or 2 days' maturity. This operation is a traditional function of a central bank of issue. The very title "Federal Reserve bank" presupposes an institution that shall act as a credit and cash reserve institution which will come to the assistance of commercial banks and trust companies needing temporary help. Usage and custom also accept the operations of the Federal Reserve System as a stabilizing influence by its purchases and sales of Government securities in the open market. It has always been considered bad financial practice and a sign of weakening Government credit if a central bank of issue becomes a too large direct purchaser of the securities issued by the financial departments of the Government.

The proposed amendment will permit the Federal Reserve banks to purchase Government obligations without limit from the Treasury Department. It is alleged that during the war emergencies might arise that would cause it to be inexpedient to make public offerings. In such cases the Federal Reserve banks would ease the situation by the purchase of the securities direct for later distribution through dealers to the public.

I cannot believe that any emergency could occur that would leave a Treasury issue under-subscribed. At a word from the Secretary of the Treasury insurance companies, commercial banks, and trust companies would step into the breach and take up the offering. These institutions have merely to subscribe for an allotment without making any down payment. Such dealers as wished to show their patriotism would also subscribe, and while in their case it is customary of the Treasury to demand a 10-percent down payment with subscription, this is merely a regulation and could be temporarily waived. To further assist the Treasury in what might have been an embarrassing moment, the Federal Reserve banks would perform their reserve functions by assuring the subscribing banks, trust companies, and dealers that they would "bail out" any company which was unable to make a distribution to the public of the securities they had purchased.

This practice has worked well for many years, has stabilized the Government bond market, and kept functioning the machinery through which Government securities have been distributed to the public.

The broadened powers granted to the Federal Reserve banks by the elimination of the words, "but only in the open market;", from section 14-B of the Federal Reserve Act would, without doubt, be used in the most conservative manner. However, I believe the powers should even then be limited to only permit the financing of the cash requirements of the Treasury around tax-payment dates, when there may be a lag between the payment of taxes to the collectors of internal revenue and the final clearance and deposit of funds to the credit of the Treasury at Reserve banks. If a tight money market should be created by the payment of taxes, the Federal Reserve System already has the power to purchase Government securities in the open market, thereby releasing cash. It is true that a commission to dealers would be entailed, but this is a small matter compared to the sound financial principles involved.

If the Federal Reserve banks step from their role of the providers of reserve credit to banks, bankers, and stabilizers of the money market and assume the role of the financiers of Government deficits by purchases of long-term Government obligations direct from the Treasury, even with the intention of distributing them to the open market as opportunity occurs, the independence of the Federal Reserve banks will become impaired. Such a change in policy might also have a bad psychological affect upon our citizens, the potential purchasers of our war obligations. Most Americans are well informed as to the loose methods of finance employed between the central banks and treasuries in several European countries during the last and present wars. They know the resultant distress such methods have brought to the citizens.

I respectfully suggest that the authority of the Federal Reserve bank be limited to financing the short-term cash requirements of the Treasury Department. That instead of striking out the last six words of section 14-B this paragraph be amended by striking out the semicolon after "market" and replacing it with a comma and add, "except that such transactions in such obligations having maturities of 6 months or less need not be in the open market;". The whole sentence would then read: *Provided*, That any bonds, notes, or any obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market, except that such transactions in such obligations having maturities of six months or less need not be in the open market;".

I submit the above for consideration for your committee.

Cordially yours,

CHARLES S. DEWEY.

(Thereupon, at 11:45 a. m., Monday, February 2, 1942, the subcommittee went into executive session.)

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## SECOND WAR POWERS ACT, 1942

FEBRUARY 9, 1942.—Ordered to be printed

Mr. McLAUGHLIN, from the Committee on the Judiciary, submitted the following

### REPORT

[To accompany S. 2208]

The Committee on the Judiciary, to whom was referred the bill (S. 2208) to further expedite the prosecution of the war, after hearings and careful consideration thereof, report the same favorably to the House with amendments, with the recommendation that, as amended, the bill do pass.

The committee amendments are as follows:

#### TITLE I

Page 1, line 5, before the word "CARRIERS" insert the words "AND WATER."

Section 101—Page 1, lines 6, 7 and 8, strike out the words "act of August 9, 1935 (49 Stat. 543), otherwise known as the Motor Carrier Act, 1935" and insert in lieu thereof the words "Interstate Commerce Act."

Page 1, line 8, after the words "as amended" insert "[U. S. C., 1940 ed., title 49, sec. 304]".

Section 102—Page 2, line 19, after the word "Act" insert the following: "as amended [U. S. C., 1940 ed., title 49, sec. 310a (a) ]".

Section 103—Page 2, line 22, after the word "Act" insert the following: "as amended [U. S. C., 1940 ed., title 49, sec. 911 (a) ]".

#### TITLE II

Page 3, line 1, after the word "ACQUISITION" insert the words "AND DISPOSITION".

Page 3, line 8, strike out the word "thereto".

Page 3, line 17, before the word "any" strike out the word "and" and insert in lieu thereof the word "or".

## TITLE III

Page 4, strike out lines 6 down through and including line 17 and insert in lieu thereof the following:

SEC. 301. Subsection (a) of section 2 of the Act of June 28, 1940 (54 Stat. 676), entitled "An Act to expedite national defense, and for other purposes," as amended by the Act of May 31, 1941 (Public Law Numbered 89, Seventy-seventh Congress), is hereby amended to read as follows:

"SEC. 2. (a) (1) That whenever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this paragraph and all other naval contracts or orders and all Army contracts and orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every three months to the Congress the contracts entered into under the authority of this paragraph: *Provided further*, That contracts negotiated pursuant to the provisions of this paragraph shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes,' approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the Act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this paragraph to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this paragraph, or any War Department contract entered into in the form of cost plus a fixed fee, shall not exceed 7 per centum of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be)."

Paragraph (C)—Page 5, in line 9 before the period, and in line 10 after the word "subsection", insert "(a)".

Paragraph (C)—Page 6, in lines 4 and 9, after the word "subsection" insert "(a)".

Page 6, strike out paragraph (4), lines 10 through 15, inclusive, and insert in lieu thereof the following:

(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the President may administer oaths and affirmations, and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpoena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Wit-

nesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this subsection (a), on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this paragraph which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

Paragraph (5)—Page 6, line 18, after the word “subsection” insert “(a)”.

Page 6, line 19, strike out the word “hereunder” and insert in lieu thereof the word “thereunder”.

Paragraph (6)—Page 7, in lines 2, 4, and 19, after the word “subsection” insert “(a)”, and in line 6 before the words “or any” insert “(a)”.

Page 7, in lines 2 and 3 and in line 7 strike out the word “hereunder” and insert in lieu thereof the word “thereunder”.

Paragraph (7)—Page 7, in line 22 strike out the word “his”.

Page 7, in line 23, after the word “subsection” insert “(a)”.

Page 7, in lines 23 and 24 strike out the word “hereunder” and insert in lieu thereof the word “thereunder”.

Paragraph (8)—Page 8, in line 4, after the word “subsection” insert “(a)”.

#### TITLE V

Pages 8, 9, and 10, strike out all of section 501 and insert in lieu thereof the following:

SEC. 501. The Secretary of Commerce is directed to waive compliance with the navigation and vessel inspection laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request. The Secretary of Commerce is authorized to waive compliance with the navigation and vessel inspection laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other Government agency whenever he deems that such action is necessary in the conduct of the war.

#### TITLE VII

Page 10, line 24, before the word “is” insert the words “as amended,”.

#### TITLE IX

Page 12, at the end of line 9, after the words “WAR INDUSTRIES” insert the words “AND PROTECTION OF RESOURCES”, and in line 10 strike out the word “SEASONAL”.

Page 12, line 16, strike out the word “utilities” and insert “utilities,” and in line 17 after the word “and” insert the words “to protect”.



## TITLE XI

Page 14, lines 23 and 24, strike out the words "this Act as provided in title XV" and insert in lieu thereof the words "titles I to X, inclusive, and titles XII and XV of the Second War Powers Act, 1942".

Page 16, strike out lines 23 and 24.

## TITLE XII

Section 1204—Page 17, line 17, strike out the word "Act" and insert in lieu thereof the word "title".

Section 1205—Page 18, line 3, strike out the word "Act" and insert in lieu thereof the word "title".

## TITLE XIII

Section 1301—Page 18, line 19, strike out the word "Act" and insert in lieu thereof the word "title".

Page 18 in lines 24 and 25 and page 19 in line 1, strike out the words "to a volume not to exceed 10 per centum of the total content thereof,".

## TITLE XIV

Section 1401—Page 21, line 1, strike out the words "and books" and insert in lieu thereof the following: "books, and records".

Page 21, strike out section 1402, line 13 through line 22, inclusive, and insert in lieu thereof the following sections 1402, 1403, and 1404, as follows:

SEC. 1402. For the purpose of obtaining any information or making any inspection or audit pursuant to section 1401, any agency acting hereunder, or the Chairman of the War Production Board, as the case may be, may administer oaths and affirmations and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be deemed relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpoena issued with respect thereto, such person furnishes such agency or the Chairman of the War Production Board, as the case may be, with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with such agency or the Chairman of the War Production Board, as the case may be, as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this section, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. Such agency or the Chairman of the War Production Board shall not publish or disclose any information obtained under this title which such agency or the Chairman of the War Production Board deems confidential or with reference to which a request for confidential treatment is made by the person furnishing

such information, unless such agency or the Chairman of the War Production Board determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

SEC. 1403. In case of contempt by, or refusal to obey a subpoena issued to, any person, any agency acting hereunder, or the Chairman of the War Production Board, as the case may be, may invoke the aid of any court of the United States within the jurisdiction of which any investigation or proceeding under this title is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, records, or other documentary or physical evidence. And such court may issue an order requiring such person to give testimony or produce any books, records, or other documentary or physical evidence touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, records, or other documentary or physical evidence, if in his power to do so, in obedience to the subpoena of any agency acting hereunder, or the Chairman of the War Production Board, as the case may be, shall be guilty of a misdemeanor, and, upon conviction, shall be subject to a fine of not more than \$5,000, or to imprisonment for a term of not more than one year, or both.

SEC. 1404. For purposes of this title the term "person" shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.

#### TITLE XV

Page 21, after line 22, insert the following new title XV:

#### TITLE XV—UTILIZATION OF VITAL WAR INFORMATION

SEC. 1501. The Secretary of Commerce is authorized, subject to any regulation or direction that the President may issue, to make such special investigations and reports of census or statistical matters as may be needed in connection with the conduct of the war. In carrying out the purpose of this section, the Secretary is further authorized to dispense with or curtail any regular census or statistical work of the Department of Commerce, or any bureau or division thereof. Any person, partnership, firm, or corporation, who shall refuse or willfully neglect to answer any questions in connection with any special investigations made under this section, or who shall willfully give answers that are false, shall be fined not exceeding \$500 or imprisoned for a period of not exceeding sixty days, or both.

SEC. 1502. That notwithstanding any other provision of law, any record, schedule, report, or return, or any information or data contained therein, now or hereafter in the possession of the Department of Commerce, or any bureau or division thereof, may be made available by the Secretary of Commerce to any branch or agency of Government for use in connection with the conduct of the war, subject to any regulations that the President may issue. No person shall disclose or make use of any individual record, schedule, report, or return, or any information or data contained therein contrary to the terms of such regulations; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

#### TITLE XVI

Page 21, line 23, strike out "XV" and insert in lieu thereof "XVI".

Page 21, line 24, strike out "1501" and insert "1601" and also in line 24 strike out "title XII" and insert in lieu thereof the words "titles XII and XV".

Page 21, line 25, after the word "Act" insert the following: ", and the amendments to existing law made by any such title,".

Page 22, line 2, after the words "may designate," insert the following: "and after such amendments cease to be in force any provi-

sion of law amended thereby shall be in full force and effect as though this Act had not been enacted;".

Page 22, line 5, strike out "1502" and insert in lieu thereof "1602".

As may be seen, most of the committee amendments are technical changes. The amendments are discussed under the appropriate title, hereafter in this report.

The bill is composed of 16 titles dealing with a variety of governmental activities, each of which is directly related to the prosecution of the war. All of the powers granted by this bill will expire not later than December 31, 1944, with the exception of 3 titles, which have their own expiration dates.

## EXPLANATION

### I

Title I of the bill confers upon the Interstate Commerce Commission emergency powers over motor carriers which are equivalent to the emergency powers of the Commission over carriers by rail. The most important of these is the power to issue priorities and allocations orders with respect to motor vehicles. The authority is limited to such action as may be necessary to facilitate the prosecution of the war. In addition, action taken under this provision must not be in contravention of State laws and regulations with respect to the sizes and weights of motor vehicles.

The Interstate Commerce Commission is also empowered to act so as to meet emergency situations with respect to water carriers which are subject to its jurisdiction. The Commission at present has emergency powers with respect to motor and water carriers, but they are limited to a 180-day period. This amendment would extend this authority for the effective period of this act.

The committee amendments are merely clarifying ones.

### II

Title II of the bill relates to the acquisition and disposition of real property and personal property located thereon. It extends the War Purposes Act of 1917, which applies only to the Secretary of War, to apply also to the Secretary of the Navy, or any other officer or agency designated by the President.

The necessity for extending the power of the Government to acquire real property during the war period is evident. There is need also, however, to include in this bill authority to acquire personal property located on or used with the real property. The Government is empowered to requisition personal property under other laws, but the distinction between real and personal property is not always clear-cut. In order to meet this situation, and to clarify the authority granted by the War Purposes Act of 1917, that act has been broadened to include the power to acquire real property and personal property located thereon as a unit. This will have the effect of providing for expeditious action since both real and personal property can, under this title, be taken in the same proceedings.

This bill also enables the Government to meet the war emergency by permitting improvements to be made and occupancy to be effected



on land without prior approval of title by the Attorney General. This is not presently the case. Section 355 of the Revised Statutes, as amended, now prohibits the expenditure of public money for the improvement of land until the approval of the Attorney General has been obtained as to the validity of title.

[NOTE.—See end of report for the act of August 1, 1888.]

### III

The committee amendments set out in full section 2 (a) of the act of June 28, 1940, as amended. Paragraph (4) is rewritten to set forth the subpoena powers of the President rather than making applicable similar powers of the Federal Trade Commission, by reference. The committee also amended paragraph (7) by eliminating the restriction which limited the benefits of the provision to persons who had received priority or allocations orders, and extended such benefits to any person who defaults on a contract caused by compliance with such an order.

Title III of the bill provides penalties for violations of the priorities law.

Unless priorities and allocations orders are complied with, the success of the war production program is endangered. The War Production Board has found that sanctions are needed to enforce the provisions of the present priorities law. Accordingly, this bill provides civil and criminal penalties for those who do not comply with these provisions and the regulations made under it.

In providing enforcement machinery the bill expands the power of the President by authorizing him to require the keeping of records and by authorizing the inspection of books and documents, etc., and the making of all investigations which he may deem necessary or appropriate to the enforcement or administration of the priorities system. In order to implement the investigatory powers conferred, the bill also confers subpoena powers.

In addition to the provisions relating to the enforcement of priorities and allocations orders, the bill provides that the President may allocate production facilities, including tools and equipment as well as materials. This power is of the greatest importance in the conversion of civilian plants to war uses and to provide for the maximum use of the Nation's industry. It is essential that the Government have the power to require particular plants to carry out particular war orders whether such plants are working on a contract with the Government or on a subcontract.

### IV

Title IV of the bill authorizes the Federal Reserve banks to purchase Government securities directly from the Government instead of limiting such purchases to the open market.

During the last World War and until 1935, Federal Reserve banks had authority to make purchases of Government securities directly from the Government. In 1935 the Federal Open Market Committee, consisting of the members of the Federal Reserve Board and 5 representatives of the Federal Reserve banks, was empowered to control the purchases and sales of Government securities which were

made by the 12 Federal Reserve banks. It was then felt desirable to restrict purchases of Government securities to purchases in the open market. In view of the war emergency and the huge amount of borrowing that will be necessary to finance the war, the Federal Reserve System must now be able to meet any situation which may arise.

The Chairman of the Federal Reserve Board advised this committee that it is essential for the Federal Reserve System to be given the power to purchase Government securities directly from the Government as well as in the open market in order to maintain a stable market for Government securities during the war. It was represented to this committee that this power will not be used as a substitute for the ordinary method of financing Government securities but will be used as an extraordinary power at times when the stability of the market might otherwise be impaired.

The power is necessary to enable the Federal Reserve System to aid the Treasury Department, which concurs in the necessity for this amendment, to meet emergencies which may arise during the war, the exact nature of which cannot be foreseen at this time. It is a power now possessed by other central banks, such as the Bank of Canada and the Bank of England.

The committee is of the opinion that this title is essential not only for the purpose of war financing, but as a protection to the holders of Government securities who may be disastrously affected if the Government securities market does not remain stable.

## V

Title V of the bill relating to the waiver of navigation and inspection laws has been restored by the committee to the form in which it appeared in H. R. 6403 and S. 2208 as it was reported by the Senate Judiciary Committee to the Senate.

During the war emergency it is necessary for troops and materials to move quickly and in many instances under conditions which would not conform to peacetime standards. At a time when single responsibility and centralized authority is necessary, the committee is of the opinion that the Senate provision, requiring the heads of at least three agencies to concur before navigation and inspection laws can be waived, is unworkable. Certain other provisions of the Senate bill likewise do not meet the emergency situation.

The Executive order issued by the President shortly after the attack on Pearl Harbor provides a flexible means of meeting the war emergency. Under it the Secretary of Commerce must waive compliance with any restrictive provisions when requested by the Secretary of War or the Secretary of Navy, and he may do so in other cases where he finds that the action is necessary to the conduct of the war.

## VI

Title VI of this bill removes from the requisitioning law the prohibition which forbids the taking of machinery or equipment which is in actual use and necessary in the operation of a factory or business.

Instances were presented to the committee in which manufacturers refused to make available to the Government machinery which was necessary to the conduct of the war. In some cases such machinery

was devoted solely to civilian production or was operated only a few hours a day. With the country at war it is essential that all of the facilities and resources in the country be made available for war production.

Conditions prescribed by the act of October 16, 1941, provide that all other efforts to obtain the use of the property requisitioned must be exhausted before property may be taken from private owners.

## VII

Title VII of the bill amends the Hatch Act to exclude certain part-time officers and part-time employees of the Federal Government serving in the existing war effort with nominal compensation or without compensation. The exemption does not apply to so-called dollar-a-year men.

The Government has need in the conduct of the war of large numbers of citizens who are able to serve part time without compensation. Examples of such citizens are members of the tire-rationing boards, special assistants to the Attorney General designated by the Department of Justice as hearing officers for conscientious objector cases, members of the enemy alien hearing boards, and the great number of citizens who participate in the civilian defense program. The exemption of these and other part-time officers and part-time employees from the Hatch Act will enable the Federal Government to avail itself of many patriotic and able citizens who are anxious to serve in the war effort and who would otherwise be ineligible.

In recognition of the great responsibility of members of local and appeal boards of the Selective Service System and in order to remove any criticism that action by such boards is influenced by political considerations, the application of the Hatch Act with respect to such employees has been left unchanged. Likewise all employees of the Federal Government serving in a capacity relating to the procurement or manufacture of war material remain subject to the provisions of the Hatch Act.

## VIII

Title VIII of the bill includes in the Federal employees' compensation system certain civilian defense workers. Compensation is limited to those persons who have been duly appointed under authority from the Federal Government who are serving in the protective services engaged in civilian defense.

Since compensation for death or injury under the Federal Employees' Compensation Act is based on the Federal salary paid, and since the civilian defense workers in the ordinary case volunteer their services, the bill provides that, for the purpose of computing compensation, such employees shall be deemed to receive \$100 per month. It is to be noted that compensation will be restricted to injuries sustained in the performance of duties as a Federal official.

This protective legislation is desirable in view of the hazardous duties performed by air-raid wardens, demolition squads, medical rescue squads, and the other branches of the protective civilian services. Civilian defense is an integral part of the war program being carried on by the Federal Government.



## IX

Title IX of the bill empowers the President to direct the Administrator of the Federal Security Agency to assign the manpower of the Civilian Conservation Corps to protect the war industries and vital civilian utilities and resources.

It has become increasingly necessary to mobilize the entire manpower of the country if we are to prosecute the war successfully. It is virtually impossible in many cases to procure proper protection from the hazards of forest fires, for example, in the ordinary way. This bill will enable the Government to make use of the men in the Civilian Conservation Corps for these vital war purposes.

The committee clarified the language so as to make it clear that protection may be afforded war industries for hazards other than forest fires.

## X

Title X of the bill provides free postage for our armed forces, whether located within the United States, in a Territory or possession, or in a foreign country. It includes the entire military and naval personnel, nurses, as well as soldiers, sailors, and marines, and officers as well as enlisted men and draftees.

## XI

Title XI of the bill provides for the naturalization of aliens honorably serving in the armed forces of the United States during the present war. It reestablishes the policy set forth by Congress during the first World War.

Under this bill qualifications of age, length of residence, and education may be waived and the ordinary procedure requiring naturalization by a court is supplemented by provision for the naturalization of aliens by a representative of the Immigration and Naturalization Service in areas not within the jurisdiction of any naturalization court. Thus, members of the armed forces are not barred from citizenship because of their location in a military or naval base far from any naturalization court. In order that naturalization by this new procedure may be conducted on an orderly basis, the bill requires that a record of the naturalization proceedings, together with a copy of the certificate of citizenship, shall be forwarded to and filed by the clerk of a naturalization court in the district in which the petitioner is a resident.

The provisions of this title permit such aliens to seek citizenship within 1 year after the termination of the second war powers bill.

## XII

Title XII authorizes the Secretary of the Treasury to accept gifts of money, property, or services, made on condition that they be used for a particular war purpose.

Existing law precludes the Treasury from taking gifts made on special conditions and applying them to the specified purposes for which they are given. All money received by the Treasury, in the absence of the specific authority conferred by this bill must be covered into the miscellaneous receipts account of the Treasury Department, and await appropriation by Congress.

As a practical matter, it is impossible to take the money from a particular gift and use it for the purchase of a definite piece of material. The provisions of this title, however, would permit the Treasury to accept gifts made for specific purposes and to put them into the existing congressional appropriations which would most nearly effectuate the intent of the donors in each case, thus supplementing that appropriation to the extent of the gifts. It does so in a manner which will permit this to be done with a minimum of administrative difficulty through the regular accounting and disbursement procedures of the Treasury Department.

Since the Pearl Harbor attack over 15,000 persons have made donations of money and other property to the Government to be used in the war effort. These donations, which are presently at the rate of about \$3,000,000 a year, came from individuals, schools, fraternal organizations, labor organizations, groups of citizens, and employees of various companies.

This title will enable patriotic citizens who wish to bear more than their share of the war costs to make voluntary contributions to the war effort. While the Secretary of the Treasury has urged that persons desiring to participate in the war effort of the country invest their funds in defense bonds or stamps, or in Treasury tax savings notes, the Treasury has and will continue to receive voluntary donations from those persons who desire to make them, since to deny citizens the right to make voluntary financial sacrifices would obviously have a bad psychological effect. The Treasury has not and states that it will not authorize private persons or agencies to conduct special campaigns to raise funds from the public for this purpose. Private persons and agencies, of course, are and will be at liberty to conduct such campaigns on their own initiative, but it is felt that any coercive or high-pressure solicitation by any private person or agency of gifts to the United States should be definitely discouraged.

The committee made only drafting changes in this title.

### XIII

Title XIII of the bill changes the existing composition of the 5-cent piece and makes it half copper and half silver. The present 5-cent piece is required by law to be three-fourths copper and one-fourth nickel. The bill will make available for war purposes all of the nickel and one-third of the copper in the 5-cent piece. On the basis of the figures for the fiscal year 1941, this saving would be 870,000 pounds of nickel and 870,000 pounds of copper. The saving of nickel is the more important feature of this change.

There is a serious shortage of nickel, which is a metal essential to the manufacture of military material. Nickel is an indispensable constituent in armor plate for tanks and battleships, machinery bearings, bomb racks, and condenser tubes of boilers and naval vessels. The amount of nickel used in coining 5-cent pieces during the fiscal year 1941 would have been sufficient for the production of 16,000 tons of armor plate, enough for 1,000 heavy tanks.

The new 5-cent piece can be made with existing mint machinery and equipment. It will be the same size as the old 5-cent piece and will be equally usable in telephones and turnstiles and many vending machines and other coin-operated devices.

Some of the vending machines and coin-operated devices will not work with the new 5-cent piece. The half silver and half copper formula of the bill was arrived at by the Treasury's Mint Bureau only after intensive experimentation lasting almost 6 months and the rejection of many other formulas. However, in order to permit further experimentation with the objective of finding a formula that will solve all slot-machine problems without sacrificing the other essentials ((1) the elimination of vitally needed strategic materials, (2) the ability to use existing mint equipment, since, because of priorities, new equipment cannot be obtained, and (3) retention of the present size and weight of the coin), your committee has adopted a Senate floor amendment to the bill which will permit the Director of the Mint to vary the proportions specified in the bill and add other metals with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, if such action would be in the public interest. In view of the large number of nickels now in circulation (about 2,200,000,000) which will work these machines, and the relatively small proportion of new nickels coined annually, it is not believed that the usefulness of the machines affected will be seriously impaired.

A provision of the Senate amendment which would have restricted the addition of other metals to 10 percent has been eliminated in order not to limit the possibility of devising an all-purpose 5-cent piece. Your committee has been advised that an all-purpose 5-cent piece could probably not, in any event, be made within the bounds of the 10 percent limitation.

The bill specifies the silver to be used in the new coin—silver bullion in the Treasury not held for the redemption of outstanding silver certificates. Such use would work an almost negligible depletion of the vast quantity of such silver heretofore acquired and now held in the vaults of the mint institutions, not more than 2 or 3 percent annually.

While the Government's present seigniorage profit of 4.8 cents per 5-cent piece will be substantially reduced, if the present proposal is enacted, there would still be a profit of 1.2 cents on each 5-cent piece made.

## XIV

Title XIV of the bill extends the act of July 2, 1926, so as to confer upon the Government the right to inspect the plant and audit the books and records of war contractors and subcontractors. The act so extended applies only to aircraft manufacturers.

The prices of many of the contracts let by the Federal Government are determined upon a cost-plus-a-fixed-fee basis. Since the fee is computed on the basis of an estimated cost, it is essential that the Government be empowered to determine whether the estimates made are based on adequate information. During the last World War many cases arose in which profits under this form of contract were unconscionably high. It is anticipated that on the basis of the information which may be obtained as a result of this bill, the Government will be in position to keep profits within bounds and to avoid waste of Government funds.

The committee as in title III has revised the provisions relating to the attendance of witnesses, the production of documents, records, etc., so as to specify the powers granted. In order that the Government may enforce its powers of inspection and audit, subpoenas may be issued against any war contractor or subcontractor. If the subpoena is not



complied with, resort may be had to the courts to enforce the subpoena. In addition, a criminal penalty is provided for failure to comply with any order or subpoena issued under this title.

[NOTE.—See end of report for section 10 (1) of the act of July 2, 1926.]

## XV

Title XV is a new title added to the bill after it was referred to the Committee on the Judiciary. Its inclusion was requested by the Secretary of Commerce in the following letter addressed to the chairman. This new provision would authorize special investigations and reports of census or statistical matters as may be needed in connection with the conduct of the war. It would permit information in the possession of the Department of Commerce to be made available to any branch or agency of the Government for use in connection with the conduct of the war. The letter referred to is as follows:

THE SECRETARY OF COMMERCE,  
Washington, D. C., February 4, 1942.

HON. HATTON SUMNERS,  
*Chairman, Judiciary Committee,*  
*House of Representatives, Washington, D. C.*

DEAR HATTON: Enclosed is a suggested amendment to the omnibus war-powers bill which was presented to the House Judiciary Committee this morning by South Trimble, Jr., Solicitor of the Department of Commerce, and J. C. Capt, Director of the Bureau of the Census.

This authority is urgently needed by the Department of Commerce in order to collect information in connection with the war effort without delay and to make this and other information now obtained by the Department of Commerce under the seal of confidence available to other war agencies.

In my opinion, it is vital that the authority contained in this proposed legislation be granted.

Sincerely yours,

JESSE H. JONES,  
*Secretary of Commerce.*

## XVI

Title XVI of the bill provides that this bill, with the exception of titles XI, XIII, and XIV, shall terminate on December 31, 1944, or at such earlier date as Congress may determine by concurrent resolution or as the President may designate. Titles XI, XIII, and XIV expire as a result of their own provisions.

## CHANGES IN EXISTING LAW

In compliance with clause 2a of rule XIII, changes in existing law proposed to be made by the bill as it passed the Senate are shown below as follows: Existing law in which no change is made is shown in roman type, new matter proposed to be added is printed in *italic*, and matter proposed to be omitted is shown in black brackets:

### TITLE I—EMERGENCY POWERS OF THE INTERSTATE COMMERCE COMMISSION OVER MOTOR CARRIERS

Section 101 adds two subsections, (e) and (f), after subsection (d) of section 204 of the act of August 9, 1935 (49 Stat. 543), otherwise known as the Motor Carrier Act, 1935, as amended.

(d) The provisions of sections 14 and 16 (13) of part I, relating to reports, decisions, schedules, contracts, and other public records, shall apply in the administration of this part.

(e) *The Commission shall have authority with respect to motor carriers, to be exercised under similar circumstances and procedure, equivalent to the authority it has with respect to other carriers under section 1 (15) of part I, and shall have authority, to the extent necessary to facilitate the prosecution of the war and not in contravention of State laws and regulations with respect to sizes and weights of motor vehicles, to make reasonable directions with respect to equipment, service, and facilities of motor carriers, and to require the joint use of equipment, terminals, warehouses, garages, and other facilities; and motor carriers shall be subject to the same penalties for failure to comply with action taken by the Commission under this paragraph as other carriers for failure to comply with action taken by the Commission under section 1 (15) of part I.*

(f) *Notwithstanding any other applicable provision of this Act, to the extent that it may be in the public interest, the Commission may modify, change, suspend or waive any order, certificate, permit, license, rule, or regulation issued under this part.*

Section 102 amends subsection (a) of section 210a.

SEC. 210a. (a) To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier or a contract carrier by motor vehicle, as the case may be. Such temporary authority, unless suspended or revoked for good cause, shall be valid for such time as the Commission shall specify [but for not more than an aggregate of one hundred and eighty days,] and shall create no presumption that corresponding permanent authority will be granted thereafter.

Section 103 amends subsection (a) of section 311.

SEC. 311. (a) To enable the provision of service for which there is an immediate and urgent need to a point or points or within a territory having no carrier service capable of meeting such need, the Commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier by water or a contract carrier by water, as the case may be. Such temporary authority shall be valid for such time as the Commission shall specify [but not for more than an aggregate of one hundred and eighty days], and shall create no presumption that corresponding permanent authority will be granted thereafter.

## TITLE II—ACQUISITION OF PROPERTY

Title II amends the act of July 2, 1917, as amended (40 Stat. 241; U. S. C. title 50, sec. 171), by adding a new section thereto.

That hereafter the Secretary of War may cause proceedings to be instituted in the name of the United States, in any court having jurisdiction of such proceedings for the acquirement by condemnation of any land, temporary use thereof or other interest therein, or right pertaining thereto, needed for the site, location, construction, or prosecution of works for fortifications, coast defenses, military training camps, and for the construction and operation of plants for the production of nitrate and other compounds and the manufacture of explosives and other munitions of war and for the development and transmission of power for the operations of such plants; such proceedings to be prosecuted in accordance with the laws relating to suits for the condemnation of property of the States wherein the proceedings may be instituted: *Provided*, That when the owner of such land, interest, or rights pertaining thereto shall fix a price for the same, which in the opinion of the Secretary of War shall be reasonable, he may purchase or enter into a contract for the use of the same at such price without further delay: *Provided further*, That the Secretary of War is authorized to accept on behalf of the United States donations of land and the interest and rights pertaining thereto required for the above-mentioned purposes: *And provided further*, That when such property is acquired in time of war, or the imminence thereof, upon the filing of the petition for the condemnation of any land, temporary use thereof or other interest therein or right pertaining thereto to be acquired for any of the purposes aforesaid, immediate possession thereof may be taken to the extent of the interest to be acquired and the lands may be occupied and used for military purposes.

SEC. 2. *The Secretary of War, the Secretary of the Navy, or any other officer, board, commission, or governmental corporation thereto authorized by the President, may*

acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court having jurisdiction of such proceedings, to acquire by condemnation, any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that shall be deemed necessary, for military, naval, or other war purposes, such proceedings to be in accordance with the Act of August 1, 1888 (25 Stat. 357), and any other applicable Federal statute, and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the Act of July 2, 1940 (54 Stat. 712). Upon or after the filing of the condemnation petition, immediate possession may be taken and the property may be occupied, used, and improved for the purposes of this Act, notwithstanding any other law. Property acquired by purchase, donation, or other means of transfer may be occupied, used, and improved, for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

### TITLE III—PRIORITIES POWERS

Title III amends subsection (a) of section (2) of the Act of June 28, 1940 (54 Stat. 676), as amended by the Act of May 31, 1941 (55 Stat. 236).

(NOTE.—In paragraph (1) of subsection (a) of section 2 the words "this section" and "this subsection" are changed to "this paragraph"; paragraph (2) is stricken out and a new paragraph substituted; and paragraphs (3) to (8) are added.)

SEC. 2. (a) (1) That wherever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this [section] paragraph and all other naval contracts or orders and all Army contracts and orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every three months to the Congress the contracts entered into under the authority of this [section] paragraph: *Provided further*, That contracts negotiated pursuant to the provisions of this [section] paragraph shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of Section 9 of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036: U. S. C., Supp. V, Title 41, Secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the Act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this [subsection] paragraph to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this [subsection] paragraph, or any War Department contract entered into in the form of a cost-plus-a-fixed-fee, shall not exceed 7 per centum of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

[(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

(A) contracts or orders for the Government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled "An act to promote the defense of the United States";

(B) contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States; and



(C) subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this section.

Deliveries under any contract or order specified in this section may be assigned priority over deliveries under any other contract or order. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material for defense or for private account or for export, the President may allocate such material in such manner and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense. The President shall be entitled to obtain such information from, require such reports by, and make such inspection of the premises of any person, firm, or corporation as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this section. No person, firm, or corporation shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from his compliance with any rule, regulation, or order issued under this section. The President may exercise any power, authority, or discretion conferred on him by this section, through such department, agency, or officer of the Government as he may direct and in conformity with any rules and regulations which he may prescribe. **1**

(2) *Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—*

(A) *Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled "An Act to promote the defense of the United States";*

(B) *Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;*

(C) *Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection. Deliveries under any contract or order specified in this subsection may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.*

(3) *The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of any person (which, for the purpose of this subsection, shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not), and make such investigations as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this subsection.*

(4) *For the purpose of obtaining any information, verifying any report required or making any investigation pursuant to paragraph (3), the provisions of sections 9 and 10 of the Act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of the President.*

(5) *Any person who willfully performs any act prohibited, or willfully fails to perform any act required by any provision of this subsection or any rule, regulation, or order hereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than one year, or both.*

(6) *The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection or any rule, regulation, or order or subpena hereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection to enforce any liability or duty created by, or to enjoin any violation of, this subsection or any rule, regulation, order, or subpena hereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or*

transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoena for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection.

(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from his compliance with this subsection or any rule, regulation, or order issued hereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

(8) The President may exercise any power, authority, or discretion conferred on him by this subsection, through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe.

#### TITLE IV—PURCHASE BY FEDERAL RESERVE BANKS OF GOVERNMENT OBLIGATIONS

Title IV amends subsection (b) of section 14 of the act of December 23, 1913 (38 Stat. 265; U. S. C. title 12, sec. 355).

Every Federal Reserve bank shall have power:

(a) \* \* \*

(b) To buy and sell, at home or abroad, bonds and notes of the United States, bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months, bonds, issued under the provisions of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, and having maturities from date of purchase of not exceeding six months, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage, and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Board of Governors of the Federal Reserve System: *Provided*, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities [but only in the open market].

#### TITLE V—WAIVER OF NAVIGATION AND INSPECTION LAWS

(No amendments to existing law are contained in this title.)

Title VI amends the last paragraph of section 1 of the act of October 16, 1941 (55 Stat. 742) by deleting subdivision (3) thereof:

That whenever the President, during the national emergency declared by the President on May 27, 1941, but not later than June 30, 1943, determines that (1) the use of any military or naval equipment, supplies, or munitions, or component parts thereof, or machinery, tools, or materials necessary for the manufacture, servicing, or operation of such equipment, supplies, or munitions is needed for the defense of the United States; (2) such need is immediate and impending and such as will not admit of delay or resort to any other source of supply; and (3) all other means of obtaining the use of such property for the defense of the United States upon fair and reasonable terms have been exhausted, he is authorized to requisition such property for the defense of the United States upon the payment of fair and just compensation for such property to be determined as hereinafter provided, and to dispose of such property in such manner as he may determine is necessary for the defense of the United States. The President shall determine the amount of the fair and just compensation to be paid for any property requisitioned and taken over pursuant to this Act and the fair value of any property returned under

section 2 of this Act, but each such determination shall be made on the basis of the fair market value of the property at the time it is requisitioned or returned, as the case may be. If, upon any such requisition of property, the person entitled to receive the amount so determined by the President as the fair and just compensation for the property is unwilling to accept the same as full and complete compensation for such property he shall be paid 50 per centum of such amount and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States in the manner provided by sections 24 (20) and 145 of the Judicial Code (U. S. C., 1934 ed., title 28, secs. 41 (20) and 250) for an additional amount which, when added to the amount so paid to him, he considers to be fair and just compensation for such property. Such courts shall also have power to determine in an appropriate proceeding any questions that may arise with respect to the amount of the fair value to be paid upon the return of any property under section 2 of this Act, regardless of the amount in controversy in any such proceeding.

Nothing contained in this Act shall be construed—

(1) to authorize the requisitioning or require the registration of any fire-arms possessed by any individual for his personal protection or sport (and the possession of which is not prohibited or the registration of which is not required by existing law),

(2) to impair or infringe in any manner the right of any individual to keep and bear arms[. or

(3) to authorize the requisitioning of any machinery or equipment which is in actual use in connection with any operating factory or business and which is necessary to the operation of such factory or business].

SEC. 2. Wherever the President determines that property acquired under this Act and retained is no longer needed for the defense of the United States, he shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner; but, in any event, property so acquired and retained shall, if the owner desires the property and pays the fair value thereof, be returned to the owner not later than December 31, 1943.

SEC. 3. The President, from time to time, but not less frequently than once every six months, shall transmit to the Congress a report of operations under this Act.

SEC. 4. The President, may issue such rules and regulations and require such information as may be necessary and proper to carry out the provisions of this Act, and he may exercise any power or authority conferred on him by this Act through such department, agency, board, or officer as he shall direct or appoint.

#### TITLE VII—POLITICAL ACTIVITY

Title VII amends subsection (a) of section 9 of the act of August 2, 1939 (53 Stat. 1148; U. S. C., title 18, sec. 61h).

SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, *except a part-time officer or part-time employee without compensation or with nominal compensation serving in connection with the existing war effort, other than as a member of a Selective Service and Training Board, or other than in any capacity relating to the procurement or manufacture of war material*, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects and candidates. For the purposes of this section the term "officer" or "employee" shall not be construed to include (1) the President and Vice President of the United States; (2) persons whose compensation is paid from the appropriation for the office of the President; (3) heads and assistant heads of executive departments; (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the Nation-wide administration of Federal laws.

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any Act of Congress for such position or office shall be used to pay the compensation of such person.



## TITLE VIII—COMPENSATION FOR CERTAIN CIVILIAN DEFENSE WORKERS

Title VIII amends section 40 of the act of September 7, 1916 (39 Stat. 750), as amended.

Sec. 40. That wherever used in this Act—

The singular includes the plural and the masculine includes the feminine.

The term "employee" includes all civil employees of the United States and of the Panama Railroad Company and all persons, other than independent contractors and their employees, employed on the Menominee Indian Reservation in the State of Wisconsin, subsequent to September 7, 1916, in operations conducted pursuant to the Act entitled "An Act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin", approved March 28, 1908, as amended, or any other Act relating to tribal timber and logging operations on the Menominee Reservation.

The term "commission" shall be taken to refer to the United States Employees' Compensation Commission provided for in section 28.

The term "physician" includes surgeons and osteopathic practitioners within the scope of their practice as defined by State law.

The term "medical, surgical, and hospital services and supplies" includes services and supplies by osteopathic practitioners and hospitals within the scope of their practice as defined by State law.

The term "monthly pay" shall be taken to refer to the monthly pay at the time of the injury.

The term "injury" includes, in addition to injury by accident, any disease proximately caused by the employment.

The term "compensation" includes the money allowance payable to an employee or his dependents and any other benefits paid for out of the compensation fund: *Provided, however*, That this shall not in any way reduce the amount of the monthly compensation payable in case of disability or death.

*The term "employee" also includes any person in the protective services engaged in civilian defense, who has been duly appointed as such by an officer or agent of the United States acting under lawful authority. In the event that any such person renders his services on a voluntary basis or for compensation amounting to less than \$100 per month, for the purposes of computing the amount of compensation for death or disability, he shall be regarded as having received compensation for his services at the rate of \$100 per month: Provided, That no compensation shall be paid in respect to the death or disability of any such person in any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received, or is entitled to receive similar benefits for injury or death: Provided further, That the Commission may establish new and utilize its existing regional offices, utilize the personnel and facilities of other governmental agencies, and delegate thereto such authority as may be necessary, for carrying out the provisions of this paragraph.*

## TITLE IX—PROTECTION OF WAR INDUSTRIES SUBJECT TO SEASONAL HAZARDS OF FOREST FIRES

(No amendments to existing law are contained in this title.)

## TITLE X—FREE POSTAGE FOR SOLDIERS, SAILORS, AND MARINES

(No amendments to existing law are contained in this title.)

## TITLE XI—NATURALIZATION OF PERSONS SERVING IN THE ARMED FORCES OF THE UNITED STATES DURING THE PRESENT WAR

Title XI adds a new title to the act of October 14, 1940 (54 Stat. 1137) to follow title II, as follows:

## TITLE II

Sec. 601. This Act shall take effect from and after ninety days from the date of its approval.

## TITLE III

SEC. 701. Notwithstanding the provisions of sections 303 and 326 of this Act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized upon compliance with all the requirements of the naturalization laws except that (1) no declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required; (2) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner; (3) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test; and (4) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certification of naturalization, if issued: Provided, however, That (1) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States, (2) the service of the petitioner in the military or naval forces of the United States shall be proved by affidavits, forming part of the petition, of at least two citizens of the United States, members or former members during the present war of the military or naval forces of the noncommissioned or warrant officer grade or higher (who may be the witnesses described in clause (1) of this proviso), or by a duly authenticated copy of the record of the executive department having custody of the record of petitioner's service, showing that the petitioner is or was during the present war a member serving honorably in such armed forces, and (3) the petition shall be filed not later than one year after the termination of the effective period of this Act as provided in title XV. The petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the witnesses required by the foregoing proviso shall have appeared before and been examined by a representative of the Immigration and Naturalization Service.

SEC. 702. During the present war, any person entitled to naturalization under section 701 of this Act, who while serving honorably in the military or naval forces of the United States is not within the jurisdiction of any court authorized to naturalize aliens, may be naturalized in accordance with all the applicable provisions of section 701 without appearing before a naturalization court. The petition for naturalization of any petitioner under this section shall be made and sworn to before, and filed with, a representative of the Immigration and Naturalization Service designated by the Commissioner or a Deputy Commissioner, which designated representative is hereby authorized to receive such petition in behalf of the Service, to conduct hearings thereon, to take testimony concerning any matter touching or in any way affecting the admissibility of any such petitioner for naturalization, to call witnesses, to administer oaths, including the oath of the petitioner and his witnesses to the petition for naturalization and the oath of renunciation and allegiance prescribed by section 335 of this Act, and to grant naturalization, and to issue certificates of citizenship: Provided, That the record of any proceedings hereunder together with a copy of the certificate of citizenship shall be forwarded to and filed by the clerk of a naturalization court in the district in which the petitioner is a resident and be made a part of the record of the court.

SEC. 703. The ninety days' notice required by subsection (b) of section 326 of this Act to be given by the clerk of the naturalization court to the Commissioner may be waived by the Commissioner in his discretion. In any petition in which such notice is waived the Commissioner shall cause the clerk of court to be notified to that effect.

SEC. 704. The provisions of this title shall not apply to (1) any person who during the present war is dishonorably discharged from the military or naval forces or is discharged therefrom on account of his alienage, or (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform: Provided, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with Section 338 of this Act.

SEC. 705. The Commissioner, with the approval of the Attorney General, shall prescribe and furnish such forms, and shall make such rules and regulations, as may be necessary to carry into effect the provisions of this Act.

SEC. 706. This title shall take effect from the date of its approval.

## TITLE XII—ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER THE WAR PROGRAM

(No amendments to existing law are contained in this title.)

## TITLE XIII—COINAGE OF 5-CENT PIECES

(No amendments to existing law are contained in this title.)

## TITLE XIV—INSPECTION AND AUDIT OF WAR CONTRACTORS

(No amendments to existing law are contained in this title.)

## ACT OF AUGUST 1, 1888

The act of August 1, 1888 (25 Stat. 357), to authorize condemnation of land for sites of public buildings, and for other purposes, is as follows:

That in every case in which the Secretary of the Treasury or any other officer of the Government has been, or hereafter shall be, authorized to procure real estate for the erection of a public building or for other public uses he shall be, and hereby is, authorized to acquire the same for the United States by condemnation, under judicial process, whenever in his opinion it is necessary or advantageous to the Government to do so, and the United States district courts of the district wherein such real estate is located, shall have jurisdiction of proceedings for such condemnation, and it shall be the duty of the Attorney General of the United States, upon every application of the Secretary of the Treasury, under this act, or such other officer, to cause proceedings to be commenced for condemnation, within thirty days from the receipt of the application at the Department of Justice.

SEC. 2. The practice, pleadings, forms and modes of proceeding in causes arising under the provisions of this act shall conform, as near as may be, to the practice, pleadings, forms and proceedings existing at the time in like causes in the courts of record of the State within which such district courts are held, any rule of the court to the contrary notwithstanding.

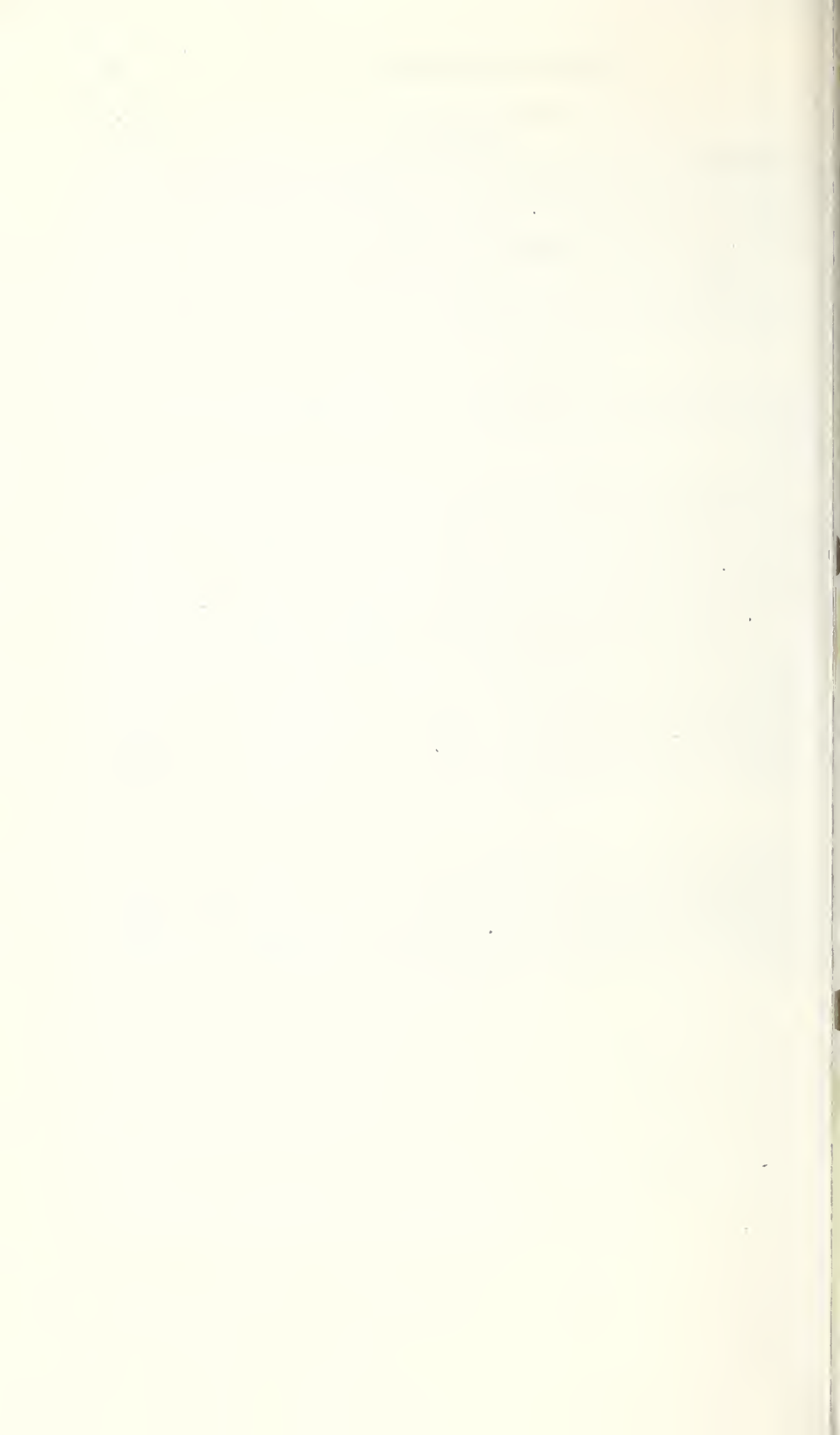
## ACT OF JULY 2, 1926

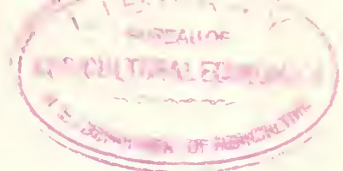
Section 10 (l) of the act of July 2, 1926, reads as follows:

The manufacturing plant, and books, of any contractor for furnishing or constructing aircraft, aircraft parts, or aeronautical accessories, for the War Department or the Navy Department, or such part of any manufacturing plant as may be so engaged, shall at all times be subject to inspection and audit by any person designated by the head of any executive department of the Government.









Union Calendar No. 629

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 2208**

[Report No. 1765]

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 1942

Referred to the Committee on the Judiciary

FEBRUARY 9, 1942

Reported with amendments, committed to the Committee of the Whole House  
on the state of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

To further expedite the prosecution of the war.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—EMERGENCY POWERS OF THE INTER-  
4 STATE COMMERCE COMMISSION OVER MOTOR  
5 *AND WATER CARRIERS*

6 SEC. 101. Section 204 of the act of August 9, 1935  
7 ~~(49 Stat. 543)~~, otherwise known as the Motor Carrier  
8 ~~Act, 1935~~ *Interstate Commerce Act*, as amended [*U. S. C.*,  
9 *1940 ed., title 49, sec. 304*], is hereby amended by adding  
10 after subsection (d) thereof the following:

11 “(e) The Commission shall have authority with respect

1 to motor carriers, to be exercised under similar circumstances  
2 and procedure, equivalent to the authority it has with re-  
3 spect to other carriers under section 1 (15) of part I, and  
4 shall have authority, to the extent necessary to facilitate the  
5 prosecution of the war and not in contravention of State  
6 laws and regulations with respect to sizes and weights of  
7 motor vehicles, to make reasonable directions with respect  
8 to equipment, service, and facilities of motor carriers,  
9 and to require the joint use of equipment, terminals, ware-  
10 houses, garages, and other facilities; and motor carriers  
11 shall be subject to the same penalties for failure to comply  
12 with action taken by the Commission under this paragraph  
13 as other carriers for failure to comply with action taken by  
14 the Commission under section 1 (15) of part I.

15 “(f) Notwithstanding any other applicable provision of  
16 this Act, to the extent that it may be in the public interest,  
17 the Commission may modify, change, suspend or waive  
18 any order, certificate, permit, license, rule, or regulation  
19 issued under this part.”

20 SEC. 102. Subsection (a) of section 210a of said Act,  
21 *as amended* [*U. S. C., 1940 ed., title 49, sec. 310a (a)*], is  
22 hereby amended by striking out the words “but for not more  
23 than an aggregate of one hundred and eighty days”.

24 SEC. 103. Subsection (a) of section 311 of said Act,  
25 *as amended* [*U. S. C., 1940 ed., title 49, sec. 911 (a)*]



1 is hereby amended by striking out the words "but not for  
2 more than an aggregate of one hundred and eighty days".

3 TITLE II—ACQUISITION *AND DISPOSITION* OF  
4 PROPERTY

5 SEC. 201. The Act of July 2, 1917 (40 Stat. 241),  
6 entitled "An Act to authorize condemnation proceedings of  
7 lands for military purposes", as amended, is hereby amended  
8 by adding at the end thereof the following section:

9 "SEC. 2. The Secretary of War, the Secretary of the  
10 Navy, or any other officer, board, commission, or govern-  
11 mental corporation ~~thereto~~ authorized by the President, may  
12 acquire by purchase, donation, or other means of transfer,  
13 or may cause proceedings to be instituted in any court hav-  
14 ing jurisdiction of such proceedings, to acquire by condemna-  
15 tion, any real property, temporary use thereof, or other  
16 interest therein, together with any personal property located  
17 thereon or used therewith, that shall be deemed necessary,  
18 for military, naval, or other war purposes, such proceedings  
19 to be in accordance with the Act of August 1, 1888 (25  
20 Stat. 357), ~~and~~ or any other applicable Federal statute, and  
21 may dispose of such property or interest therein by sale,  
22 lease, or otherwise, in accordance with section 1 (b) of the  
23 Act of July 2, 1940 (54 Stat. 712). Upon or after the  
24 filing of the condemnation petition, immediate possession may  
25 be taken and ~~the~~ property may be occupied, used, and

1 improved for the purposes of this Act, notwithstanding any  
 2 other law. Property acquired by purchase, donation, or  
 3 other means of transfer may be occupied, used, and improved,  
 4 for the purposes of this section prior to the approval of title  
 5 by the Attorney General as required by section 355 of the  
 6 Revised Statutes, as amended.”

### 7 TITLE III—PRIORITIES POWERS

8 SEC. 301. Subsection ~~(a)~~ of section ~~(2)~~ of the Act of  
 9 June 28, 1940 (54 Stat. 676), entitled “An Act to expedite  
 10 national defense, and for other purposes”, as amended by  
 11 the Act of May 31, 1941 (55 Stat. 236), is amended as  
 12 follows:

13 ~~(a)~~ In paragraph ~~(1)~~ of said subsection ~~(a)~~, strike out  
 14 the words “this section” and the words “this subsection”  
 15 wherever they appear, and substitute the words “this  
 16 paragraph”.

17 ~~(b)~~ Strike out paragraph ~~(2)~~ of said subsection and  
 18 substitute a new paragraph ~~(2)~~ and add paragraphs ~~(3)~~  
 19 to ~~(8)~~, as follows:

20 SEC. 301. Subsection (a) of section 2 of the Act of June  
 21 28, 1940 (54 Stat. 676), entitled “An Act to expedite na-  
 22 tional defense, and for other purposes”, as amended by the  
 23 Act of May 31, 1941 (Public Law Numbered 89, Seventy-  
 24 seventh Congress), is hereby amended to read as follows:

25 “SEC. 2. (a) (1) That whenever deemed by the Presi-

1 dent of the United States to be in the best interests of the  
2 national defense during the national emergency declared by  
3 the President on September 8, 1939, to exist, the Secretary  
4 of the Navy is hereby authorized to negotiate contracts for the  
5 acquisition, construction, repair, or alteration of complete  
6 naval vessels or aircraft, or any portion thereof, including  
7 plans, spare parts, and equipment therefor, that have been  
8 or may be authorized, and also for machine tools and other  
9 similar equipment, with or without advertising or competitive  
10 bidding upon determination that the price is fair and reason-  
11 able, and deliveries of material under all orders placed pur-  
12 suant to the authority of this paragraph and all other naval  
13 contracts or orders and all Army contracts and orders shall,  
14 in the discretion of the President, take priority over all deliv-  
15 eries for private account or for export: Provided, That the  
16 Secretary of the Navy shall report every three months to the  
17 Congress the contracts entered into under the authority of this  
18 paragraph: Provided further, That contracts negotiated pur-  
19 suant to the provisions of this paragraph shall not be deemed  
20 to be contracts for the purchase of such materials, supplies,  
21 articles, or equipment as may usually be bought in the open  
22 market within the meaning of section 9 of the Act entitled  
23 "An Act to provide conditions for the purchase of supplies  
24 and the making of contracts by the United States, and for  
25 other purposes", approved June 30, 1936 (49 Stat. 2036;



1 *U. S. C., Supp. V, title 41, secs. 35-45): Provided further,*  
 2 *That nothing herein contained shall relieve a bidder or con-*  
 3 *tractor of the obligation to furnish the bonds under the re-*  
 4 *quirements of the Act of August 24, 1935 (49 Stat. 793;*  
 5 *40 U. S. C. 270 (a) to (d)): Provided further, That the*  
 6 *cost-plus-a-percentage-of-cost system of contracting shall not*  
 7 *be used under the authority granted by this paragraph to ne-*  
 8 *gotiate contracts; but this proviso shall not be construed to*  
 9 *prohibit the use of the cost-plus-a-fixed-fee form of contract*  
 10 *when such use is deemed necessary by the Secretary of the*  
 11 *Navy: And provided further, That the fixed fee to be paid*  
 12 *the contractor as a result of any contract entered into under*  
 13 *the authority of this paragraph, or any War Department*  
 14 *contract entered into in the form of cost-plus-a-fixed-fee, shall*  
 15 *not exceed 7 per centum of the estimated cost of the contract*  
 16 *(exclusive of the fee as determined by the Secretary of the*  
 17 *Navy or the Secretary of War, as the case may be).<sup>1</sup>*

18       “(2) Deliveries of material to which priority may be  
 19 assigned pursuant to paragraph (1) shall include, in addi-  
 20 tion to deliveries of material under contracts or orders of  
 21 the Army or Navy, deliveries of material under—

22       “(A) Contracts or orders for the government of  
 23 any country whose defense the President deems vital  
 24 to the defense of the United States under the terms of

1 the Act of March 11, 1941, entitled 'An Act to pro-  
2 mote the defense of the United States';

3 " (B) Contracts or orders which the President shall  
4 deem necessary or appropriate to promote the defense  
5 of the United States;

6 " (C) Subcontracts or suborders which the Presi-  
7 dent shall deem necessary or appropriate to the fulfill-  
8 ment of any contract or order as specified in this sub-  
9 section (a).

10 Deliveries under any contract or order specified in this sub-  
11 section (a) may be assigned priority over deliveries under  
12 any other contract or order; and the President may require  
13 acceptance of and performance under such contracts or orders  
14 in preference to other contracts or orders for the purpose of  
15 assuring such priority. Whenever the President is satisfied  
16 that the fulfillment of requirements for the defense of the  
17 United States will result in a shortage in the supply of any  
18 material or of any facilities for defense or for private account  
19 or for export, the President may allocate such material or  
20 facilities in such manner, upon such conditions and to such  
21 extent as he shall deem necessary or appropriate in the public  
22 interest and to promote the national defense.

23 " (3) The President shall be entitled to obtain such in-  
24 formation from, require such reports and the keeping of such

1 records by, make such inspection of the books, records, and  
 2 other writings, premises or property of, any person (which,  
 3 for the purpose of this subsection (a), shall include any indi-  
 4 vidual, partnership, association, business trust, corporation,  
 5 or any organized group of persons, whether incorporated or  
 6 not), and make such investigations, as may be necessary or  
 7 appropriate, in his discretion, to the enforcement or adminis-  
 8 tration of the provisions of this subsection (a).

9       ~~“(4) For the purpose of obtaining any information,~~  
 10 ~~verifying any report required, or making any investigation~~  
 11 ~~pursuant to paragraph (3), the provisions of sections 9~~  
 12 ~~and 10 of the Act of September 26, 1914 (38 Stat. 722),~~  
 13 ~~are hereby made applicable to the jurisdiction, powers, and~~  
 14 ~~duties of the President.~~

15       “(4) For the purpose of obtaining any information,  
 16 verifying any report required, or making any investigation  
 17 pursuant to paragraph (3), the President may administer  
 18 oaths and affirmations, and may require by subpoena or other-  
 19 wise the attendance and testimony of witnesses and the pro-  
 20 duction of any books or records or any other documentary  
 21 or physical evidence which may be relevant to the inquiry.  
 22 Such attendance and testimony of witnesses and the produc-  
 23 tion of such books, records, or other documentary or physical  
 24 evidence may be required at any designated place from any  
 25 State, Territory, or other place subject to the jurisdiction



1 of the United States: Provided, That the production of a  
2 person's books, records, or other documentary evidence shall  
3 not be required at any place other than the place where  
4 such person resides or transacts business, if, prior to the  
5 return date specified in the subpoena issued with respect thereto,  
6 such person furnishes the President with a true copy of such  
7 books, records, or other documentary evidence (certified by  
8 such person under oath to be a true and correct copy) or  
9 enters into a stipulation with the President as to the infor-  
10 mation contained in such books, records, or other documentary  
11 evidence. Witnesses shall be paid the same fees and mileage  
12 that are paid witnesses in the courts of the United States.  
13 No person shall be excused from attending and testifying  
14 or from producing any books, records, or other documentary  
15 or physical evidence in obedience to any such subpoena, or in  
16 any action or proceeding which may be instituted under this  
17 subsection (a), on the ground that the testimony or evidence,  
18 documentary or otherwise, required of him may tend to in-  
19 criminate him or subject him to a penalty or forfeiture;  
20 but no individual shall be subject to prosecution and punish-  
21 ment or to any penalty or forfeiture for or on account of  
22 any transaction, matter, or thing concerning which he is  
23 compelled to testify or produce evidence, documentary or  
24 otherwise, after having claimed his privilege against self-  
25 incrimination, except that any such individual so testifying

1 shall not be exempt from prosecution and punishment for  
2 perjury committed in so testifying. The President shall not  
3 publish or disclose any information obtained under this par-  
4 agraph which the President deems confidential or with refer-  
5 ence to which a request for confidential treatment is made by  
6 the person furnishing such information, unless the President  
7 determines that the withholding thereof is contrary to the  
8 interest of the national defense and security; and anyone  
9 violating this provision shall be guilty of a felony and upon  
10 conviction thereof shall be fined not exceeding \$1,000, or be  
11 imprisoned not exceeding two years, or both.

12 “(5) Any person who willfully performs any act pro-  
13 hibited, or willfully fails to perform any act required by, any  
14 provision of this subsection (a) or any rule, regulation, or  
15 order ~~hereunder~~ *thereunder*, whether heretofore or hereafter  
16 issued, shall be guilty of a misdemeanor, and shall, upon  
17 conviction, be fined not more than \$10,000 or imprisoned  
18 for not more than one year, or both.

19 “(6) The district courts of the United States and the  
20 United States courts of any Territory or other place subject  
21 to the jurisdiction of the United States and the courts of the  
22 ~~Philippine~~ Islands shall have jurisdiction of violations of this  
23 subsection (a) or any rule, regulation, or order or subpoena  
24 ~~hereunder~~ *thereunder*, whether heretofore or hereafter issued,  
25 and of all civil actions under this subsection (a) to enforce  
26 any liability or duty created by, or to enjoin any violation of,

1 this subsection (a) or any rule, regulation, order, or subpena  
2 ~~hereunder~~ *thereunder* whether heretofore or hereafter issued.

3 Any criminal proceeding on account of any such violation may  
4 be brought in any district in which any act, failure to act, or  
5 transaction constituting the violation occurred. Any such  
6 civil action may be brought in any such district or in the  
7 district in which the defendant resides or transacts business.

8 Process in such cases, criminal or civil, may be served in any  
9 district wherein the defendant resides or transacts business  
10 or wherever the defendant may be found; and subpena for  
11 witnesses who are required to attend a court in any district  
12 in any such case may run into any other district. No costs  
13 shall be assessed against the United States in any proceeding  
14 under this subsection (a).

15 “(7) No person shall be held liable for damages or  
16 penalties for any default under any contract or order which  
17 shall result directly or indirectly from his compliance with this  
18 subsection (a) or any rule, regulation, or order issued ~~here-~~  
19 ~~under~~ *thereunder*, notwithstanding that any such rule, regu-  
20 lation, or order shall thereafter be declared by judicial or other  
21 competent authority to be invalid.

22 “(8) The President may exercise any power, authority,  
23 or discretion conferred on him by this subsection (a), through  
24 such department, agency, or officer of the Government as he  
25 may direct and in conformity with any rules or regulations  
26 which he may prescribe.”



1 TITLE IV—PURCHASE BY FEDERAL RESERVE  
2 BANKS OF GOVERNMENT OBLIGATIONS

3 SEC. 401. Subsection (b) of section 14 of the Act  
4 of December 23, 1913 (38 Stat. 265), otherwise known  
5 as the Federal Reserve Act, as amended, is hereby amended  
6 by striking out of the proviso the words “but only  
7 in the open market”, so that the proviso will read as follows:  
8 “*Provided*, That any bonds, notes, or other obligations  
9 which are direct obligations of the United States or which  
10 are fully guaranteed by the United States as to principal and  
11 interest may be bought and sold without regard to maturities.”

12 TITLE V—WAIVER OF NAVIGATION AND  
13 INSPECTION LAWS

14 SEC. 501. During the national emergency declared by  
15 the President on May 27, 1941, to exist, for the purpose of  
16 securing the most expeditious transportation consistent with  
17 safety of men and materials that are necessary to national  
18 defense and to reduce delays in water borne transportation,  
19 provide quicker turn arounds, expedite deliveries, and help  
20 to prevent shortages in defense or critical materials, and,  
21 when in the opinion of the Secretary of Commerce there is  
22 no other reasonable recourse, the Secretary of Commerce is  
23 authorized, upon written recommendation of the Secretary  
24 of the Navy, and of the Secretary of War, and of the Secretary  
25 of the Treasury and of the Secretary of Labor, and of the

1 Chairman, United States Maritime Commission, or any three  
 2 of the above named officials, to waive compliance with the  
 3 navigation and vessel inspection laws of the United States,  
 4 except laws requiring the division of crews of vessels of the  
 5 United States into watches, or limiting the hours of labor of  
 6 seamen on such vessels, but only to such extent and in such  
 7 manner and upon such terms as he may find after investiga-  
 8 tion to be necessary or proper for the national defense: *Pro-*  
 9 *vided, however,* That the Secretary of Commerce shall not  
 10 waive compliance with any of such laws to such an extent as  
 11 will permit the navigation of any vessel in an unsafe condi-  
 12 tion, nor with the coastwise laws of the United States where  
 13 the service desired can be supplied promptly by American  
 14 ships: *Provided further,* That in the exercise of authority  
 15 granted by this Act, the Secretary of Commerce shall waive  
 16 compliance with any of such laws only by specific rulings for  
 17 specific occasions, and shall in each case specifically state  
 18 the particular laws with which compliance is waived and the  
 19 reasons therefor: *And provided further,* That during the  
 20 effective period of this Act the Secretary of Commerce shall  
 21 at the convening of each session of Congress, and monthly  
 22 while the Congress is in session, report to the Congress every  
 23 action taken by him under authority of this Act.

24       *SEC. 501. The Secretary of Commerce is directed to*  
 25 *wave compliance with the navigation and vessel inspection*

1 *laws upon the request of the Secretary of the Navy or the*  
 2 *Secretary of War to the extent deemed necessary in the*  
 3 *conduct of the war by the officer making the request. The*  
 4 *Secretary of Commerce is authorized to waive compliance*  
 5 *with the navigation and vessel inspection laws to such extent*  
 6 *and in such manner and upon such terms as he may prescribe*  
 7 *either upon his own initiative or upon the written recom-*  
 8 *mendation of the head of any other Government agency*  
 9 *whenever he deems that such action is necessary in the*  
 10 *conduct of the war.*

# 11 TITLE VI—POWER TO REQUISITION

12 SEC. 601. The last paragraph of section 1 of the Act of  
 13 October 16, 1941 (55 Stat. 742), entitled "An Act to  
 14 authorize the President of the United States to requisition  
 15 property required for the defense of the United States", is  
 16 amended by deleting subdivision (3) thereof, so that the  
 17 paragraph will read as follows:

18 "Nothing contained in this Act shall be construed—

19 "(1) to authorize the requisitioning or require the  
 20 registration of any firearms possessed by an individual for  
 21 his personal protection or sport (and the possession of  
 22 which is not prohibited or the registration of which is not  
 23 required by existing law),

24 "(2) to impair or infringe in any manner the right of  
 25 any individual to keep and bear arms."



## 1 TITLE VII—POLITICAL ACTIVITY

2 SEC. 701. Subsection (a) of section 9 of the Act of  
3 August 2, 1939 (53 Stat. 1148), entitled "An Act to  
4 prevent pernicious political activities", *as amended*, is hereby  
5 amended by adding in the second sentence after the word  
6 "thereof" the words "except a part-time officer or part-time  
7 employee without compensation or with nominal compensa-  
8 tion serving in connection with the existing war effort, other  
9 than as a member of a Selective Service and Training Board,  
10 or other than in any capacity relating to the procurement or  
11 manufacture of war material".

12 TITLE VIII—COMPENSATION FOR CERTAIN  
13 CIVILIAN DEFENSE WORKERS

14 SEC. 801. Section 40 of the Act of September 7, 1916  
15 (39 Stat. 750), entitled "An Act to provide compensation  
16 for employees of the United States suffering injuries while in  
17 the performance of their duties, and for other purposes", as  
18 amended, is hereby amended by adding the following para-  
19 graph at the end thereof:

20 "The term 'employee' also includes any person in the  
21 protective services engaged in civilian defense, who has been  
22 duly appointed as such by an officer or agent of the United  
23 States acting under lawful authority. In the event that any  
24 such person renders his services on a voluntary basis or for  
25 compensation amounting to less than \$100 per month, for

1 the purposes of computing the amount of compensation for  
 2 death or disability, he shall be regarded as having received  
 3 compensation for his services at the rate of \$100 per month:  
 4 *Provided*, That no compensation shall be paid in respect to  
 5 the death or disability of any such person in any case coming  
 6 within the purview of the workmen's compensation law of  
 7 any State, Territory, or possession, or in which the claimant  
 8 has received, or is entitled to receive similar benefits for in-  
 9 jury or death: *Provided further*, That the Commission may  
 10 establish new and utilize its existing regional offices, utilize  
 11 the personnel and facilities of other governmental agencies,  
 12 and delegate thereto such authority as may be necessary, for  
 13 carrying out the provisions of this paragraph."

14 TITLE IX—PROTECTION OF WAR INDUSTRIES  
 15 *AND PROTECTION OF RESOURCES SUB-*  
 16 *JECT TO ~~SEASONAL~~ HAZARDS OF FOREST*  
 17 *FIRES*

18 SEC. 901. The President is empowered to direct the Ad-  
 19 ministrator of the Federal Security Agency to assign the  
 20 manpower of the Civilian Conservation Corps to the extent  
 21 necessary to protect the munitions, aircraft, and other war  
 22 industries, municipal water supply, power and other ~~utilities~~  
 23 *utilities*, and to protect resources subject to the hazards of  
 24 forest fires.

1 TITLE X—FREE POSTAGE FOR SOLDIERS,  
2 SAILORS, AND MARINES

3 SEC. 1001. Any first-class letter mail matter admissible  
4 to the mails as ordinary mail matter which is sent by a mem-  
5 ber of the military or naval forces of the United States (in-  
6 cluding the United States Coast Guard), while on active duty  
7 or in the active military or naval service of the United States,  
8 to any person in the United States, including the Territories  
9 and possessions thereof, shall be transmitted in the mails free  
10 of postage, subject to such rules and regulations as the Post-  
11 master General shall prescribe.

12 TITLE XI—NATURALIZATION OF PERSONS SERV-  
13 ING IN THE ARMED FORCES OF THE UNITED  
14 STATES DURING THE PRESENT WAR

15 SEC. 1101. The Act of October 14, 1940 (54 Stat.  
16 1137), entitled "An Act to revise and codify the nationality  
17 laws of the United States into a comprehensive nationality  
18 code", is hereby amended by adding thereto a new title as  
19 follows:

20 "TITLE III

21 "SEC. 701. Notwithstanding the provisions of sections  
22 303 and 326 of this Act, any person not a citizen, regard-  
23 less of age, who has served or hereafter serves honorably  
24 in the military or naval forces of the United States during



1 the present war may be naturalized upon compliance with  
2 all the requirements of the naturalization laws except  
3 that (1) no declaration of intention and no certificate  
4 of arrival and no period of residence within the United  
5 States or any State shall be required; (2) the petition for  
6 naturalization may be filed in any court having naturaliza-  
7 tion jurisdiction regardless of the residence of the petitioner;  
8 (3) the petitioner shall not be required to speak the English  
9 language, sign his petition in his own handwriting, or meet  
10 any educational test; and (4) no fee shall be charged or  
11 collected for making, filing, or docketing the petition for  
12 naturalization, or for the final hearing thereon, or for the  
13 certification of naturalization, if issued: *Provided, however,*  
14 That (1) there shall be included in the petition the affi-  
15 davits of at least two credible witnesses, citizens of the  
16 United States, stating that each such witness personally  
17 knows the petitioner to be a person of good moral character,  
18 attached to the principles of the Constitution of the United  
19 States, and well disposed to the good order and happiness of  
20 the United States, (2) the service of the petitioner in the  
21 military or naval forces of the United States shall be proved  
22 by affidavits, forming part of the petition, of at least two citi-  
23 zens of the United States, members or former members during  
24 the present war of the military or naval forces of the non-  
25 commissioned or warrant officer grade or higher (who may

1 be the witnesses described in clause (1) of this proviso),  
2 or by a duly authenticated copy of the record of the execu-  
3 tive department having custody of the record of petitioner's  
4 service, showing that the petitioner is or was during the  
5 present war a member serving honorably in such armed  
6 forces, and (3) the petition shall be filed not later than one  
7 year after the termination of the effective period of ~~this Act~~  
8 ~~as provided in title XX~~ *titles I to X, inclusive, and titles XII*  
9 *and XV of the Second War Powers Act, 1942.* The peti-  
10 tioner may be naturalized immediately if prior to the filing of  
11 the petition the petitioner and the witnesses required by the  
12 foregoing proviso shall have appeared before and been exam-  
13 ined by a representative of the Immigration and Naturaliza-  
14 tion Service.

15 "SEC. 702. During the present war, any person entitled  
16 to naturalization under section 701 of this Act, who while  
17 serving honorably in the military or naval forces of the United  
18 States is not within the jurisdiction of any court authorized  
19 to naturalize aliens, may be naturalized in accordance with  
20 all the applicable provisions of section 701 without appearing  
21 before a naturalization court. The petition for naturalization  
22 of any petitioner under this section shall be made and sworn  
23 to before, and filed with, a representative of the Immigration  
24 and Naturalization Service designated by the Commissioner  
25 or a Deputy Commissioner, which designated representative

1 is hereby authorized to receive such petition in behalf of the  
2 Service, to conduct hearings thereon, to take testimony con-  
3 cerning any matter touching or in any way affecting the ad-  
4 missibility of any such petitioner for naturalization, to call  
5 witnesses, to administer oaths, including the oath of the peti-  
6 tioner and his witnesses to the petition for naturalization and  
7 the oath of renunciation and allegiance prescribed by section  
8 335 of this Act, and to grant naturalization, and to issue  
9 certificates of citizenship: *Provided*, That the record of any  
10 proceedings hereunder together with a copy of the certificate  
11 of citizenship shall be forwarded to and filed by the clerk of  
12 a naturalization court in the district in which the petitioner  
13 is a resident and be made a part of the record of the court.

14 “SEC. 703. The ninety days’ notice required by subsec-  
15 tion (b) of section 326 of this Act to be given by the clerk  
16 of the naturalization court to the Commissioner may be  
17 waived by the Commissioner in his discretion. In any peti-  
18 tion in which such notice is waived the Commissioner shall  
19 cause the clerk of court to be notified to that effect.

20 “SEC. 704. The provisions of this title shall not apply  
21 to (1) any person who during the present war is dishonor-  
22 ably discharged from the military or naval forces or is dis-  
23 charged therefrom on account of his alienage, or (2) any con-  
24 scientious objector who performed no military duty whatever  
25 or refused to wear the uniform: *Provided*, That citizenship



1 granted pursuant to this title may be revoked as to any  
2 person subsequently dishonorably discharged from the mili-  
3 tary or naval forces in accordance with Section 338 of this  
4 Act.

5 “SEC. 705. The Commissioner, with the approval of the  
6 Attorney General, shall prescribe and furnish such forms,  
7 and shall make such rules and regulations, as may be neces-  
8 sary to carry into effect the provisions of this Act.”

9 ~~“SEC. 706. This title shall take effect from the date of~~  
10 ~~its approval.”~~

11 TITLE XII—ACCEPTANCE OF CONDITIONAL  
12 GIFTS TO FURTHER THE WAR PROGRAM

13 SEC. 1201. To further the war program of the United  
14 States, the Secretary of the Treasury is authorized to accept  
15 or reject on behalf of the United States any gift of money or  
16 other property, real or personal, or services, made on con-  
17 dition that it be used for a particular war purpose.

18 SEC. 1202. The Secretary of the Treasury may convert  
19 into money, at the best terms available, any such gift of  
20 property other than money.

21 SEC. 1203. There shall be established on the books of  
22 the Treasury a special deposit account to be designated as  
23 the “War Contributions Fund”, into which shall be deposited  
24 all money received as a result of such gifts.

25 SEC. 1204. The Secretary of the Treasury, in order to

1   effectuate the purposes for which gifts accepted under this ~~Act~~  
2   *title* are made, shall from time to time allocate the money in  
3   such special deposit account to such of the various appropria-  
4   tions available for the purchase of war material and the fur-  
5   therance of the war program of the United States as in his  
6   judgment will best effectuate the intent of the donors, and  
7   such money is hereby appropriated and shall be available for  
8   expenditure for the purposes of the appropriations to which  
9   allocated.

10       SEC. 1205. The Secretary of the Treasury shall include  
11   in his Annual Report to the Congress a summary of the gifts  
12   made and accepted under this ~~Act~~ *title*.

13       SEC. 1206. Whoever shall solicit any gift of money or  
14   other property, and represent that such gift is being solicited  
15   for the use of the United States, with the intention of embez-  
16   zling, stealing, or purloining such gift, or converting the  
17   same to any other use or purpose, or whoever, having  
18   come into possession of any money or property which has  
19   been donated by the owner thereof for the use of the United  
20   States, shall embezzle, steal, or purloin such money or prop-  
21   erty, or convert the same to any other use or purpose, shall  
22   be guilty of a felony and upon conviction thereof shall be  
23   fined not more than \$5,000 or imprisoned for not more than  
24   five years, or both.

## 1 TITLE XIII—COINAGE OF 5-CENT PIECES

2 SEC. 1301. Notwithstanding any other provision of law,  
3 the Director of the Mint shall cause the metallic content of all  
4 5-cent pieces coined after the effective date of this ~~Act~~ *title*  
5 and prior to December 31, 1946, to be one-half silver and one-  
6 half copper: *Provided*, That the Director of the Mint, with  
7 the approval of the Secretary of the Treasury and the Chair-  
8 man of the War Production Board, is authorized to vary the  
9 proportions of silver and copper and to add other metals ~~to a~~  
10 ~~volume not to exceed 10 per centum of the total content~~  
11 ~~thereof~~, if such action would be in the public interest. Such  
12 5-cent pieces shall be deemed to be minor coins or coinage  
13 and not silver coins, subsidiary silver coins, silver coinage,  
14 or subsidiary silver coinage within the meaning of the mone-  
15 tary laws of the United States.

16 SEC. 1302. For the coinage of such 5-cent pieces the  
17 Secretary of the Treasury is hereby authorized to allocate to  
18 the Director of the Mint, at such times and in such amounts  
19 as the Secretary deems necessary, any silver bullion in the  
20 monetary stocks of the United States not then held for re-  
21 demption of any outstanding silver certificates. Silver so allo-  
22 cated shall be accounted for by entries in the fund established  
23 for the purchase of metal for minor coinage: *Provided*, That  
24 the value of any silver bullion accounted for in said fund



1 shall not be considered for the purpose of determining the  
2 statutory limit of said fund: *Provided further*, That the gain  
3 from the minor coinage provided for by this title shall be  
4 accounted for by entries in the minor coinage profit fund.

5 SEC. 1303. No silver-copper ingots shall be used for the  
6 minor coinage provided for by this title which differ from  
7 the legal standard by more than ten-thousandths. In adjust-  
8 ing the weight of such minor coins there shall be no greater  
9 deviation allowed than four grains for each piece.

10 SEC. 1304. For the purpose of section 3529 of the  
11 Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent  
12 pieces provided for by this title shall be deemed to be copper.

13 SEC. 1305. Upon redemption any 5-cent pieces coined  
14 in accordance with the provisions of this title shall after  
15 December 31, 1946, be allocated to the Director of the Mint  
16 for melting and for subsidiary silver coinage. Any 5-cent  
17 pieces coined in accordance with the provisions of this title  
18 but not issued by the Mint may after December 31, 1946, be  
19 allocated, in such amounts and at such times as the Secretary  
20 of the Treasury in his discretion may determine, to the Direc-  
21 tor of the Mint for melting and for subsidiary silver coinage.  
22 All 5-cent pieces allocated to the Director of the Mint in  
23 accordance with this section shall be accounted for by entries  
24 in the fund established for the purchase of silver bullion for  
25 subsidiary silver coinage. Upon coinage into subsidiary

1 silver coins of the metal contained in the 5-cent pieces so  
2 allocated, the gain shall be accounted for by entries in the  
3 silver-profit fund.

4 SEC. 1306. This title shall become effective sixty days  
5 after approval.

6 TITLE XIV—INSPECTION AND AUDIT OF WAR  
7 CONTRACTORS

8 SEC. 1401. The provisions of section 10 (l) of an Act  
9 approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (l) )  
10 (giving the Government the right to inspect the plant and  
11 audit the books of certain Contractors), shall apply to the  
12 plant ~~and books~~, *books, and records* of any contractor with  
13 whom a defense contract has been placed at any time after the  
14 declaration of emergency on September 8, 1939, and before  
15 the termination of the present war: *Provided*, That, for the  
16 purpose of this title, the term “defense contract” shall mean  
17 any contract, subcontract, or order placed in furtherance of  
18 the defense or war effort: *And provided further*, That the  
19 inspection and audit authorized herein, and the determination  
20 whether a given contract is a “defense contract” as defined  
21 above, shall be made by the agency placing such contract or  
22 order or the contract or order under which such subcontract  
23 was placed, or by the Chairman of the War Production  
24 Board.

25 SEC. 1402. The provisions of sections 9 and 10 of the

1 Act of September 26, 1914 (38 Stat. 722), are hereby  
2 made applicable to the jurisdiction, powers, and duties of  
3 any agency or of the Chairman of the War Production  
4 Board acting hereunder. Any person who shall, without just  
5 cause, fail or refuse to attend or testify or to comply with any  
6 order or subpoena issued under this title, shall be guilty of a  
7 misdemeanor and upon conviction shall be subject to a fine  
8 of not less than \$1,000 nor more than \$5,000, or to impris-  
9 onment of not more than one year, or both.

10       *SEC. 1402. For the purpose of obtaining any informa-*  
11 *tion or making any inspection or audit pursuant to section*  
12 *1401, any agency acting hereunder, or the Chairman of the*  
13 *War Production Board, as the case may be, may administer*  
14 *oaths and affirmations and may require by subpoena or other-*  
15 *wise the attendance and testimony of witnesses and the pro-*  
16 *duction of any books or records or any other documentary*  
17 *or physical evidence which may be deemed relevant to the*  
18 *inquiry. Such attendance and testimony of witnesses and the*  
19 *production of such books, records, or other documentary or*  
20 *physical evidence may be required at any designated place*  
21 *from any State, Territory, or other place subject to the juris-*  
22 *diction of the United States: Provided, That the production*  
23 *of a person's books, records, or other documentary evidence*  
24 *shall not be required at any place other than the place where*  
25 *such person resides or transacts business, if, prior to the*



1 return date specified in the subpoena issued with respect thereto,  
2 such person furnishes such agency or the Chairman of the  
3 War Production Board, as the case may be, with a true copy  
4 of such books, records, or other documentary evidence (cer-  
5 tified by such person under oath to be a true and correct  
6 copy) or enters into a stipulation with such agency or the  
7 Chairman of the War Production Board, as the case may  
8 be, as to the information contained in such books, records,  
9 or other documentary evidence. Witnesses shall be paid the  
10 same fees and mileage that are paid witnesses in the courts  
11 of the United States. No person shall be excused from attend-  
12 ing and testifying or from producing any books, records,  
13 or other documentary or physical evidence in obedience to  
14 any such subpoena, or in any action or proceeding which  
15 may be instituted under this section, on the ground that the  
16 testimony or evidence, documentary or otherwise, required of  
17 him may tend to incriminate him or subject him to a penalty  
18 or forfeiture; but no individual shall be subject to prosecution  
19 and punishment or to any penalty or forfeiture for or on  
20 account of any transaction, matter, or thing concerning which  
21 he is compelled to testify or produce evidence, documentary or  
22 otherwise, after having claimed his privilege against self-  
23 incrimination, except that any such individual so testifying  
24 shall not be exempt from prosecution and punishment for  
25 perjury committed in so testifying. Such agency or the Chair-

1 *man of the War Production Board shall not publish or dis-*  
2 *close any information obtained under this title which such*  
3 *agency or the Chairman of the War Production Board deems*  
4 *confidential or with reference to which a request for confi-*  
5 *dential treatment is made by the person furnishing such*  
6 *information, unless such agency or the Chairman of the War*  
7 *Production Board determines that the withholding thereof is*  
8 *contrary to the interest of the national defense and security;*  
9 *and anyone violating this provision shall be guilty of a felony*  
10 *and upon conviction thereof shall be fined not exceeding*  
11 *\$1,000, or be imprisoned not exceeding two years, or both.*

12       *SEC. 1403. In case of contempt by, or refusal to obey a*  
13 *subpena issued to, any person, any agency acting hereunder,*  
14 *or the Chairman of the War Production Board, as the case*  
15 *may be, may invoke the aid of any court of the United States*  
16 *within the jurisdiction of which any investigation or proceed-*  
17 *ing under this title is carried on, or where such person resides*  
18 *or carries on business, in requiring the attendance and testi-*  
19 *mony of witnesses and the production of books, records, or*  
20 *other documentary or physical evidence. And such court may*  
21 *issue an order requiring such person to give testimony or*  
22 *produce any books, records, or other documentary or physical*  
23 *evidence touching the matter under investigation or in ques-*  
24 *tion; and any failure to obey such order of the court may be*  
25 *punished by such court as contempt thereof. All process in*

1 *any such case may be served in the judicial district whereof*  
 2 *such person is an inhabitant or wherever he may be found.*  
 3 *Any person who shall, without just cause, fail or refuse to*  
 4 *attend and testify or to answer any lawful inquiry or to*  
 5 *produce books, records, or other documentary or physical*  
 6 *evidence, if in his power to do so, in obedience to the subpoena*  
 7 *of any agency acting hereunder, or the Chairman of the War*  
 8 *Production Board, as the case may be, shall be guilty of a*  
 9 *misdemeanor, and, upon conviction, shall be subject to a fine*  
 10 *of not more than \$5,000, or to imprisonment for a term of*  
 11 *not more than one year, or both.*

12 *SEC. 1404. For purposes of this title the term "person"*  
 13 *shall include any individual, partnership, association, business*  
 14 *trust, corporation, or any organized group of persons, whether*  
 15 *incorporated or not.*

16 *TITLE XV—UTILIZATION OF VITAL WAR*  
 17 *INFORMATION*

18 *SEC. 1501. The Secretary of Commerce is authorized,*  
 19 *subject to any regulation or direction that the President*  
 20 *may issue, to make such special investigations and reports*  
 21 *of census or statistical matters as may be needed in con-*  
 22 *nection with the conduct of the war. In carrying out the*  
 23 *purpose of this section, the Secretary is further authorized*  
 24 *to dispense with or curtail any regular census or statistical*  
 25 *work of the Department of Commerce, or any bureau or*



1 division thereof. Any person, partnership, firm, or cor-  
 2 poration, who shall refuse or willfully neglect to answer any  
 3 questions in connection with any special investigations made  
 4 under this section, or who shall willfully give answers that  
 5 are false, shall be fined not exceeding \$500 or imprisoned  
 6 for a period of not exceeding sixty days, or both.

7       SEC. 1502. That notwithstanding any other provision of  
 8 law, any record, schedule, report, or return, or any infor-  
 9 mation or data contained therein, now or hereafter in the  
 10 possession of the Department of Commerce, or any bureau  
 11 or division thereof, may be made available by the Secretary  
 12 of Commerce to any branch or agency of Government for  
 13 use in connection with the conduct of the war, subject to any  
 14 regulations that the President may issue. No person shall  
 15 disclose or make use of any individual record, schedule, re-  
 16 port, or return, or any information or data contained therein  
 17 contrary to the terms of such regulations; and any one vio-  
 18 lating this provision shall be guilty of a felony and upon  
 19 conviction thereof shall be fined not exceeding \$1,000, or be  
 20 imprisoned not exceeding two years, or both.

## 21 TITLE ~~XV~~ XVI—TIME LIMIT AND SHORT TITLE

22       SEC. ~~1504~~ 1601. Titles I to X, inclusive, and ~~title XII~~  
 23 titles XII and XV of this Act, and the amendments to existing  
 24 law made by any such title, shall remain in force only until  
 25 December 31, 1944, or until such earlier time as the Congress

1 by concurrent resolution, or the President, may designate,  
2 *and after such amendments cease to be in force any provision*  
3 *of law amended thereby shall be in full force and effect as*  
4 *though this Act had not been enacted*; but no court proceedings  
5 brought under any such title shall abate by reason of the  
6 termination hereunder of such title.

7 SEC. ~~1502~~ 1602. This Act may be cited as the "Second  
8 War Powers Act, 1942".

Passed the Senate January 28 (legislative day, January  
23), 1942.

Attest:

EDWIN A. HALSEY,  
*Secretary.*

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

**S. 2208**

[Report No. 1765]

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## **AN ACT**

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To further expedite the prosecution of the war.

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JANUARY 29, 1942

Referred to the Committee on the Judiciary

FEBRUARY 9, 1942

Reported with amendments, committed to the Committee of the Whole House on the state of the Union, and ordered to be printed







responsibility for the reason that if a mishap occurs around the Capitol somebody has got to take the responsibility, and I am willing to share my part of it. So I hope the cards that will be issued in lieu of those outstanding may be handed in Washington to visitors and constituents of yours and not be mailed around the country.

Mr. RANKIN of Mississippi. Mr. Speaker, on that point may I make the suggestion to the Chair that instead of issuing these cards for the duration of the Congress that they be limited to a given number of days or for the time or the day when the visitor expects to visit the House?

Mr. DINGELL. And, Mr. Speaker, may I make the further suggestion that all cards be signed by the recipients in their own handwriting, because you cannot identify a card holder without a signature.

#### EXTENSION OF REMARKS

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a report to the Secretary of Agriculture from the Commissioner of Narcotics on the drug traffic, with respect to the dangers in relation thereto, together with a brief editorial regarding the matter.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CLASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a news item from this morning's Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address which I delivered yesterday, February 22, at Mount Vernon during the ceremonies in which diplomatic representatives from the peoples who are battling the Japanese in the Pacific placed wreaths upon the tomb of George Washington.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BLOOM. Also, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered by Mr. Sumner Welles.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech delivered by Hon. JOSEPH

W. MARTIN, of Massachusetts, at Kansas City.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial from the San Francisco News.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief item.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my remarks and include three short letters.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. KRAMER] may have permission to extend his remarks in the RECORD and include an address by James Rowe, an assistant to the Attorney General.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. COSTELLO. Also, Mr. Speaker, I ask unanimous consent to extend my remarks and include an address by Mayor Bowers, of Los Angeles.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD immediately following the reading of the Farewell Address of George Washington.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks and include a sermon by the Reverend Charles Barbour.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include certain newspaper comments on Mr. Tugwell, the Governor of Puerto Rico.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks and include a very remarkable editorial by R. W. Hitchcock, in the Rapid City Journal, entitled "Washington, Talk to Yourself."

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### DOCUMENTARY EVIDENCE OF UNITED STATES CITIZENSHIP

Mr. LEWIS, on behalf of the gentleman from Illinois [Mr. SABATH], and by direction of the Committee on Rules, submitted the following resolution (H. Res. 443) for printing, under the rule, which was read and referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6600) providing for the issuance of documentary evidence of United States citizenship. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Immigration and Naturalization, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

#### TO EXPEDITE THE PROSECUTION OF THE WAR

Mr. LEWIS, on behalf of the gentleman from Illinois [Mr. SABATH] and by direction of the Committee on Rules submitted the following resolution (H. Res. 444) for printing, under the rule, which was read, and referred to the House Calendar and ordered printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the act (S. 2208) to further expedite the prosecution of the war. That after general debate, which shall be confined to the act and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the act shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the act to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion, except one motion to recommit.

#### EXTENSION OF REMARKS

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a resolution on unemployment benefits under the W. P. A.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]



Mr. HOOK. Also, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement that I issued with regard to the so-called congressional pensions.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my remarks in two particulars and include newspaper editorials.

The SPEAKER. Is there objection?  
There was no objection.

[The matters referred to will appear hereafter in the Appendix.]

#### FARM LABOR

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to address the House for half a minute and revise and extend my remarks.

The SPEAKER. Is there objection?  
There was no objection.

[Mr. BURDICK addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### EXTENSION OF REMARKS

Mr. GEHRMANN. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a letter from one of my constituents and a short newspaper article.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an editorial from the Mankato Free Press, and also an editorial from the Saturday Evening Post.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Maj. George Fielding Eliot.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to extend my remarks and include a recent address by the archbishop of New Orleans.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GREEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter.

The SPEAKER. Is there objection?  
There was no objection.

#### SECURITY FOR THE AGED

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?  
There was no objection.

Mr. GREEN. Mr. Speaker, when we have for consideration tomorrow the bill to repeal the annuity for House and Senate Members, the civil-service amendment, it will be an opportune time for the House to give consideration effectively to security of the aged of our country.

I hope the House will join with me tomorrow in substituting for this bill a reasonable, straight Federal pension for the aged of this country.

#### PASS, NOW, OLD-AGE PENSION BILL AND REPEAL SENATORS AND CONGRESSMEN'S LAW

During the past few weeks much correct and incorrect publicity has been given to the civil-service amendment bill, H. R. 6528. As you, of course, understand, one of the provisions of this bill extends to Senators and Congressmen the optional right to contribute 5 percent of their salaries into a retirement fund and to draw back from this fund an annual annuity after they reach the age of 62, if they are then retired from Congress. This bill may better be called the social-security extension bill. However, that is not the impression that the American public has of it. The impression has gone out that this bill would grant large, comfortable, and unjustifiable pensions to Senators and Congressmen.

#### I VOTE FOR REPEAL

Under the provisions of the bill, in my own case it would be necessary for me to now put into the fund approximately \$8,400 in order for me to draw out of the fund, upon reaching retirement age, \$101 per month. Of course, I have not this large sum of money, and, if I did have it, could not afford to put it into the fund. The law means nothing to me. I am not participating under it; I did not vote for it; and I shall vote for its immediate repeal. I am not willing to be a party to a law like this while the senior citizens of our Nation go unprovided for. It is true that we have social security for them, but it is true, likewise, that under existing conditions this social security is not carrying adequate relief and is carrying no relief to the large majority of the aged of America.

Our great and beneficent Government has extended rather liberal retirement for employees of the Government other than, of course, Congressmen and Senators. Take, for instance, the officers of the Army and Navy may retire upon three-fourths pay, and without contributing to their own retirement fund. Federal judges may retire upon full pay without contributing toward their own retirement fund. Regular civil-service employees may retire upon reasonable annuity, but they, of course, are compelled to contribute a percentage of their salaries to the retirement fund. They are, I believe, now contributing 5 percent of each month's salary to the retirement fund. This retirement fund is maintained largely by these civil-service employees' contributions. Social Security retirement is brought about, I believe, through contribution of 3 percent on the part of the participant, and some Social Security contributors may receive as high

as \$60 or \$80 per month upon retiring. We have passed a law for the retirement of railroad employees. The employee, I believe, contributes 3 percent to his retirement fund, and the railroad company contributes a percentage. One of the most meritorious pieces of legislation ever passed by the Congress was the Railroad Employees' Retirement Act.

I suggest that in legislation for the repeal of H. R. 6528, we include in this repeal legislation, an item for a straight Federal pension for American citizens above the age of 60 years. In other words, let us have the courage to substitute for our own pension retirement possibilities a real straight Federal pension for the aged. I would prefer to see these aged and needy citizens have even a small pension than for me to have a pension or annuity; and by the way, when a Senator or Congressman reaches his 60 years of age, he can then come under the general old-age retirement pension bill that I propose now we substitute for this so-called Congressmen-and-Senators pension bill. There is no difference between a Congressman or Senator and other aged citizen of our country. Under our great scheme of American affairs, we are all equal and should share and share alike in the responsibilities to our Government, and in any benefits springing from the Government.

#### TOWNSEND PLAN BILL

We have before us now many bills and plans for pension for the aged. At least two of these I know are receiving the serious consideration of a large number of the Members of the House. One of them is H. R. 1036, as introduced by our colleague from Montana [Mr. O'CONNOR], and known as the Townsend plan bill. It is workable; it is meritorious; and will in fact bring security to the aged of our land. I have long supported this legislation and was 1 of the 101 House Members who signed petition for consideration of this bill in the previous Congress. Among these 101 signatures, Florida gave four of its five Members. They were PETERSON, HENDRICKS, CANNON, and myself. We have now a petition on the Speaker's desk, bearing the signatures of almost half of the membership of the House. This is Discharge Petition No. 7, and would call for the immediate consideration of H. R. 1036. I am proud to tell you that Florida now has on that petition all of her 5 House Members; PETERSON, HENDRICKS, CANNON, SIKES, and myself.

Many of us who believe in this legislation have meetings at frequent intervals in an effort to obtain the required 218 signatures to bring about consideration by the House of Representatives of this bill. Dr. Francis E. Townsend and thousands of American citizens throughout the country have labored for years to bring about the writing into law of this meritorious legislation. Recently I had a letter from Dr. Townsend, in part as follows:

As an organization we are extremely anxious not to lose any of the friends in Congress who have so dependably supported us, so I am confident that there will be little or no opposition to your proposed candidacy for Congressman at Large.

# House Calendar No. 255

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

## H. RES. 444

[Report No. 1818]

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### IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 1942

Mr. SABATH, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

---

## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 a Committee of the Whole House on the state of the Union  
4 for the consideration of the Act (S. 2208) to further ex-  
5 pedite the prosecution of the war. That after general debate,  
6 which shall be confined to the Act and continue not to exceed  
7 four hours, to be equally divided and controlled by the chair-  
8 man and ranking minority member of the Committee on the  
9 Judiciary, the Act shall be read for amendment under the  
10 five-minute rule. At the conclusion of such consideration,  
11 the Committee shall rise and report the Act to the House  
12 with such amendments as may have been adopted and the  
13 previous question shall be considered as ordered on the Act  
14 and amendments thereto to final passage without intervening  
15 motion, except one motion to recommit.

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> Session

# H. RES. 444

[Report No. 1818]

---

## RESOLUTION

---

For the consideration of S. 2208, an Act to  
further expedite the prosecution of the war.

---

By Mr. SABATH

---

FEBRUARY 23, 1942

Referred to the House Calendar and ordered to be  
printed



77TH CONGRESS }  
2d Session }

HOUSE OF REPRESENTATIVES

{ REPORT  
No. 1818

---

## CONSIDERATION OF S. 2208

---

FEBRUARY 23, 1942.—Referred to the House Calendar and ordered to be printed

---

Mr. SABATH, from the Committee on Rules, submitted the following

### REPORT

[To accompany H. Res. 444]

The Committee on Rules, having had under consideration House Resolution 444, report the same to the House with the recommendation that the resolution do pass.











my case would be around \$8,000, and \$41.67 a month thereafter. I will vote for a retirement bill to retire Members of Congress where the Member makes such contributions, but I want to call the gentleman's attention and to the House this Senate amendment.

What caused all the trouble in this country was the statement by a Senator that a man by paying 5 percent of 1 day's salary could retire and get the benefits of the Retirement Act. If this be so, why did the Senate not delete that from the Retirement Act now under consideration? And again I will call your attention to other provisions so you will go into this matter with your eyes wide open and to prevent the question from bouncing back in your lap again, that the amendment provides not only to deny Members of Congress the right to participate but also the President and the heads of the executive departments. What is an executive department? Only a department that has a Cabinet officer at its head. The amendment stops there. Have you stopped to think what that means? If you will follow me, I propose to tell you; so listen, and do not say at a later date you did not so understand the situation. Do not say anyone took advantage of you. Practically the entire membership of the House is present at the moment.

Now listen:

Under the Senate amendment you are denying the Honorable Cordell Hull, a Cabinet officer, a man who served in this House with great distinction, who served in the other body with great distinction, and has been one of the greatest Secretaries of State this country has ever known, the right to retire. He was the father of our original estate and gift tax laws. He fought for proper revenue legislation and against destructive tariffs. Yes, to him belongs the credit for reciprocal tariff agreements. Sunday I read in a paper where Secretary Hull has gone south to try to regain his health. The author of that article—I do not know whether he knew what he was talking about—but he also said that the Secretary was also broke in pocket. Again I say, now listen. You deny Secretary Hull the right to retire, but you give to the members of the Interstate Commerce Commission and every other commission, bureau, and independent agency of this Government the right to retire. If the Senator was right about his 5 percent of 1 day's pay proposition, then look into it when you go to conference, and when you come back with the conference report bring something back so it will not return to plague you.

I do not want to be critical but we have heard a great deal recently from Members concerning this legislation. Let it be known the bill was placed on the Unanimous Consent Calendar November 19, 1941. It remained there until December 1, 1941, when it passed without objection. Every morning there is a calendar delivered to our desks giving the status of legislation and any Member has an opportunity to see what legislation is in order. Furthermore, everyone knows a bill must be on the Consent Calendar for 3 days before it is eligible to be

called up, but in this instance the bill remained on the calendar 12 days.

For years the question of permitting Members of Congress to benefits under the retirement act has been a topic of discussion not only on the floor but in the cloak rooms.

The gentleman from Georgia [Mr. RAMSPECK] in bringing in this legislation after it had been ordered reported by his committee was doing something that I am sure a majority of this House had been advocating at one time.

It is my understanding the Senator who voiced the strongest objection in the Senate stood ready to support the bill if an amendment which he offered was adopted.

Outstanding businessmen in my city advocated the passage of legislation permitting Members of Congress to come under the Retirement Act. Every big corporation in the country has some kind of a retirement system for its officials. The employees are taken care of under the Unemployment Insurance Act. I have voted for social-security legislation ever since being a Member of this House. I believe in it. A number of States have laws where the members of their legislative bodies as well as other elective officials can benefit.

If this question was properly placed before the country I cannot conceive there would be any opposition. The outstanding factor in opposition to this legislation now undoubtedly was the time it was enacted.

I bow to the will of public opinion but I hope some day Congress will provide for its Members to be covered under the Retirement Act provided they contribute the back money to the retirement fund. I really feel in the end it would be beneficial to the taxpayers because they might be more independent in their approach to legislation. That was the argument advanced in the article I read in the Readers Digest on the subject which I referred to on a previous occasion.

Mr. VINSON of Georgia. Mr. Speaker, I wish to inform the House that if this request prevails, I propose to submit a privileged motion which will read as follows:

That the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 6446) to provide for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and Reserve components thereof, and civilian employees of the War and Navy Departments, during periods of absence from post of duty, and for other purposes, be, and they are hereby, instructed to agree to those portions of the Senate amendment relating to the repeal of that part of the Civil Service Retirement Act providing retirement privileges to elective officers.

So the subject matter that was discussed by the distinguished gentleman from Missouri [Mr. COCHRAN] can be taken into consideration by the conferees.

Mr. COCHRAN. That is all I request.

Mr. VINSON of Georgia. All we are doing now is going on record by a yea and nay vote in reference to that portion of the Byrd amendment relating to the

President, the Vice President, the Senators, and Members of the House. The matter involving the executive heads of the Government is one the conferees will consider in conference.

Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. GREEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GREEN. I would like to be advised if it will be in order to offer as a substitute for the motion of the gentleman from Georgia a motion to take up one of the pending bills for the relief of the aged of this country?

The SPEAKER. Not unless the gentleman from Georgia [Mr. VINSON] yields for that purpose.

Mr. VINSON of Georgia. I assure the gentleman I will not yield for that purpose.

Mr. GREEN. Mr. Speaker, then I shall have to object.

Mr. NICHOLS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. NICHOLS. I would like to find out whether or not, if the gentleman's motion prevails, which will instruct the conferees to insist on the amendment, when the conference report comes back to the House, there will be opportunity for the membership of the House to vote directly on the repeal of this act?

Mr. VINSON of Georgia. No. This is the only way, and it is deliberately done this way, to instruct the conferees. This is the only way parliamentarily you can vote directly on the Byrd amendment, because it is one amendment, one amendment from the Senate. When the conference report comes back there will be various subject matters in this one amendment and you will have to vote it up or down. So this is the only opportunity that we have of voting directly on the proposition relating to the repeal of annuities, retirements, or pensions to elective officers.

Mr. NICHOLS. When the conference report comes back could not the gentleman by unanimous consent obtain a separate vote on this amendment?

The SPEAKER. The gentleman could not, because the Chair would not entertain a unanimous-consent request of that nature. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. MARTIN J. KENNEDY. Mr. Speaker, reserving the right to object—

The SPEAKER. The gentleman cannot be recognized for that purpose. The regular order has been demanded. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. MARTIN J. KENNEDY. Mr. Speaker, I object.

Mr. VINSON of Georgia. Mr. Speaker, I wish to announce to the House that I shall proceed to the Rules Committee for a rule to carry out the arrangements I have just explained to the House.



## SECOND WAR POWERS ACT, 1942

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 444 and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 444), as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the act (S. 2268) to further expedite the prosecution of the war. That after general debate, which shall be confined to the act and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the act shall be read for amendment under the 5-minute rule. At the conclusion of such consideration the Committee shall rise and report the act to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, the rule now being presented to the House is one making in order the so-called war powers bill. I shall not undertake to discuss the merits of the bill. I simply wish to make an explanation as to why this rule dealing with a bill involving so many mixed questions was granted.

There are a great many separate titles to this bill—I believe 16 in all—dealing with questions over which committees other than the Committee on the Judiciary have primary jurisdiction. Your Rules Committee held up reporting this rule for several days. The hesitation on the part of the committee in granting the rule was due to the fact that we questioned somewhat the reporting of a bill of this character dealing with so many different questions, the different titles of which had not previously been cleared through committees having jurisdiction of the various questions. However, there was a necessity for speed, and the committee granted the rule, but with the understanding that hereafter when these omnibus bills came to the committee no rule for consideration would be granted except on the condition that the different questions had been cleared through the various committees of the House. It was the feeling of the Committee on Rules that the taking of that attitude was necessary in order to protect the different committees in their jurisdiction of the several questions involved.

This is an ordinary open rule. All germane amendments will be in order. I may say that consideration was given to the question of making in order a bill offered by the gentleman from Virginia [Mr. SMITH] which provides for the suspension of the 40-hour-week law during the period of the war. We concluded, however, that we would not in this instance report a rule making in order that bill.

While I have the floor, I wish to express the hope that when the next omnibus bill comes to this House for con-

sideration—and one will be coming in soon, I am informed—it will carry an item embodying the provisions of the Smith bill.

We are at war. It is no longer a question of whose war it is. It is everybody's fight. It is not a matter of extending aid to England any longer, or of carrying the four freedoms to the four corners of the globe. It is a war for the saving of our own America; it is a war in which we must all do our part.

I hope the House will accept the resolution without any extended controversy, so that you may immediately and promptly proceed to the consideration of the bill, for which full time for debate is provided in the rule.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, as the gentleman from Georgia has wisely said, this bill is all-comprehensive. In my judgment, there has never been one bill presented to the Congress throughout its history that abandoned so many of the principles which obtain in our Government in peacetimes, and which principles are closely connected with and necessary to the functioning of a democracy.

This bill contains titles which should have been discussed and considered by the several legislative committees familiar with the particular subject matter, and, in fact, expert along that line. However, I voted as a member of the legislative committee to which the bill was referred to report the bill favorably. As a member of the Committee on Rules, I voted to make the bill in order and bring it before the House. I did this because this is an administration bill, submitted to the Congress with the approval of every administration official, from the President down through the heads of the several departments, including Justice, War, Navy, and the others. In other words, we are told that this is an essential national defense bill. We are told frankly that the only excuse for bringing it before the Congress is that the national defense requires its enactment and requires that enactment now.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Kentucky.

Mr. MAY. May I inquire of the gentleman, since I have not had an opportunity to read the bill or the hearings on it, if it is a national defense bill, why was it not referred to the House Committee on Military Affairs, or why should that committee not have considered certain parts of it, in view of the gentleman's statement awhile ago that it contains so many different subjects?

Mr. MICHENER. The only reason is that the Committee on the Judiciary was advised that speed is essential, that time is of the essence of this action. Extensive hearings are impractical when the powers herein granted are needed to repel our enemies.

As one who has consecrated himself to go along with our leadership and with the Commander in Chief of the Army and the Navy in all matters which are

deemed absolutely essential to the winning of the war, I feel that this is a time when I am justified and warranted, in voting to give vitality to this bill.

Mr. MAY. Mr. Speaker, will the gentleman yield further?

Mr. MICHENER. I would rather not take any more time now. The bill will be discussed by those who are much more familiar with its details than I am. I do want to make it clear, however, that there is no necessity for me to make my position clear to every Member of this Congress. You know my position as far as granting these extraordinary powers to the administration and to the Chief Executive is concerned. Under no conditions would I vote to grant these additional powers if I did not realize the condition the country is in today.

This war is being directed by the Commander in Chief of our Army and Navy. He asks and he demands this power. Far be it from me under such conditions to withhold any power which seems to be essential. These are extraordinary times and require extraordinary remedies. I cannot assume the responsibility of denying the President what he here demands.

I only say that I do this reluctantly. I hope and I believe that an all-wise Creator will forgive me for supporting much of the legislation passing the Congress in recent weeks. Nothing short of national preservation will excuse such legislation.

Mr. MAY. Mr. Speaker, will the gentleman yield for one other question?

Mr. MICHENER. If it is short.

Mr. MAY. In view of what transpired between us just awhile ago, I do not want to be understood as criticizing any reference of this bill to any other committee than the House Committee on Military Affairs, but in view of the debate here, I think the gentleman should state, if he knows, whether or not it is true that the House Committee on Military Affairs does not delay things any more than any other committee of the House.

Mr. MICHENER. The gentleman's committee does a very good job and all the committees do a very good job. I hope it will not be necessary to adopt this extraordinary procedure at any other time.

Mr. Speaker, I now yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I do not know whether much can be added to what has already been said. I am particularly pleased to observe the reactions of some of the other members of the Rules Committee to the particular procedure here involved, and I trust that in the future bills of this sort can be avoided.

Sometimes it is charged that in times of crisis and emergency, representative government is too cumbersome to function with maximum efficiency. I suspect there is a measure of truth in this and that is the reason that in these times we are resorting to a lot of short cuts. We are resorting to the centralization of power, but at the same time I think there must be some point where the regular legislative processes will be followed and,



certainly, it seems to me that the legislative processes should be followed unless a clear case can be made for the abandonment of those policies.

If there is need for extreme haste, then, of course, resort to something like this is needed, but in the absence of some very well defined situation like that I am convinced that this sort of bill is bad practice.

Now, it is not at all a matter of jealousy of prerogatives on the part of committees. Rather is it a matter of referring to a committee the amendments of statutes now existing, amendments that may be and undoubtedly are of far-reaching importance and consequence that deal with the technical problems of the statute and its administration. Certainly the particular committee which is familiar with the statute and the field it occupies is the best committee to do the job. For instance, title IV of this bill contains matter that would properly go to the Banking and Currency Committee. If enacted it will permit the purchase by the Federal Reserve banks of the obligations of the United States Government by direct transactions. The law as presently written requires that these bonds, if they are purchased, shall be purchased on the open market. Now, I recall that the Banking and Currency Committee gave this matter a great amount of study and there was much debate about it.

It is no indictment of the Judiciary Committee to point out that they are much less familiar with that proposition than the Banking and Currency Committee.

Another title of this bill undertakes to amend the Interstate Commerce Act and greatly to broaden the powers of the Interstate Commerce Commission over the motor-vehicle industry and its operations. I think anyone who has dealt with these general problems of transportation and the application of the law to them and the administration of those laws recognizes that that particular title is dealing with a matter that is highly technical and peculiarly within the province of the Interstate and Foreign Commerce Committee. Would not that committee be in much better position to pass upon the tremendous grant of power involved?

On the matter of haste, I recall that not so long ago there was before the Interstate and Foreign Commerce Committee a proposal to broaden the powers of the F. C. C. over the wire communications of the country. Hearings were held and a bill was brought to the floor. I do not believe the whole time was over 4 or 5 days from beginning to end, or from the time the proposal was first made to the Congress until it was finally enacted into law. So, certainly, if we can have that much expedition in respect to such matters it would seem to me that careful consideration would direct that they be sent to the committees that have had them in charge. In that particular matter the committee was very careful to provide certain safeguards with the grant of power made.

You know frequently it happens that while we must grant these tremendously broad powers to be administered by some

executive or administrative agency of the Government, a committee familiar with all of the operations of the statute, including its administration, can write in certain protections and safeguards that might turn out to be very helpful and for the best interests of the country. So I trust that in the future when matters of this sort are to be proposed, unless it is absolutely essential that we enact them so quickly that we can only do so in an omnibus bill, that the matters be referred to the committees which would have jurisdiction of them in the usual course of legislative process.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. NICHOLS] such time as he may desire.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a petition which I have filed with the Committee on the Civil Service.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, the following is a petition containing the signatures of 205 Members of the House of Representatives, which I prepared and started circulating on Friday, February 13, 1942, and which was filed with the Committee on the Civil Service in the House of Representatives just after noon on Thursday, February 19, 1942.

The Civil Service Committee at the close of its hearing on Thursday, February 19, 1942, voted out of said committee a bill, H. R. 6636, providing for the repeal of that portion of House Resolution 3482, extending the Civil Service Retirement Act to include Members of the House of Representatives and the Senate, and other elective officers, as provided for in this petition.

I wish to take this opportunity to thank those whose names appear on the petition because I am sure that the Committee on the Civil Service was happy to be advised by this direct means the feelings of so many Members of the House of Representatives.

I think it fair that I should further state that since this petition was not a formal one and could not be placed on the Speaker's table for signatures, and thus no announcement was ever made in the House of its circulation, that many Members whose names do not appear on the petition would have signed the same had they known of its circulation, or had I been able to contact them.

#### PETITION TO THE STANDING COMMITTEE ON THE CIVIL SERVICE OF THE HOUSE OF REPRESENTATIVES

We, the undersigned Members of the House of Representatives, convened in the second session of the Seventy-seventh Congress, petition and insist that your committee bring to the floor of the House of Representatives for immediate consideration, a bill providing for the repeal of that portion of House Resolution 3487 which provides for the extension of the Civil Service Retirement Act, approved May 29, 1930, to include Members of the House of Representatives and the Senate, and other elective officers.

Jack Nichols, Mike Monroney, Wesley E. Disney, Lyle H. Boren, Wilburn Cartwright, Jed Johnson, Victor

Wickersham, Ross Rizley, Everett M. Dirksen, George W. Gillie, Andrew Edmiston, Usher L. Burdick, Raymond S. Springer, Paul W. Shafer, Albert J. Engel, Thomas D'Alessandro, Jr., John H. Folger, Estes Kefauver, John A. Meyer, R. L. F. Sikes, Thad F. Wasielewski, Carl Hinshaw, Stephen Pace, John J. McIntyre, Oren Harris, Charles Robertson, W. O. Burgin, Fritz G. Lanham, William M. Whittington, J. E. Rankin, S. O. Bland, L. Mendel Rivers, Sam W. Russell, Merlin Hull, Reid F. Murray, Albert Gore, B. Frank Wheelchel, Karl E. Mundt, Clinton P. Anderson, Joshua L. Johns, William H. Stevenson, Richard P. Gale, A. Willis Robertson, John W. Boehne, Jr., Milton H. West, Frank Carlson, Robert L. Doughton, Donald H. McLean, Thomas A. Jenkins, George W. Johnson, Wilbur D. Mills, E. C. Gathings, E. Harold Cluett, James W. Wadsworth, Thomas E. Martin, Karl M. LeCompte, Martin F. Smith, Fred C. Gilchrist, Paul Cunningham, Joseph R. Bryson, A. Sidney Camp, Carl T. Curtis, Dow W. Harter, William S. Jacobsen, J. P. Richards, Henry O. Talle, Robert B. Chipperfield, Howard W. Smith, George A. Paddock, Clyde T. Ellis, J. Percy Priest, W. F. Norrell, Frank B. Keefe, Butler B. Hare, R. M. Duncan, D. D. Terry, T. G. Burch, George Mahon, John H. Tolan, Dan R. McGehee, Fred J. Douglas, Fadjo Cravens, A. L. Ford, Paul Brown, L. C. Arends, Pat Cannon, Jessie Sumner, William R. Thom, W. G. Andrews, Clifford Davis, M. A. Romjue, Harry Sauthoff, Jerry Voorhis, Philip A. Traynor, U. S. Guyer, Clifford R. Hope, W. P. Lambertson, B. J. Gehrmann, Greg Holbrock, Jacob E. Davis, Thomas E. Scanlon, Louis E. Graham, J. W. Ditter, Ivor D. Fenton, J. Roland Kinzer, Harve Tibbott, Charles L. Berlach, Cliff Clevenger, Joseph J. O'Brien, L. W. Hall, Ed Gossett, James M. Barnes, Robert F. Rich, Harry B. Coffee, Thomas J. Lane, Lansdale G. Sasser, Arthur G. Klein, Samuel A. Weiss, James A. Shanley, Frederick C. Smith, Ross A. Collins, Oren S. Copeland, Rudolph G. Tenerowicz, Herron Pearson, Hugh D. Scott, Jr., Robert F. Rockwell, John M. Vorys, W. H. Larabee, A. J. Elliott, R. L. Rodgers, M. C. Tarver, Wirt Courtney, R. E. Thomason, D. J. Ward, E. V. Creal, L. F. Arnold, Oscar Youngdahl, J. Hardin Peterson, E. E. Cox, Elmer H. Wene, Katharine Edgar Byron, William J. Fitzgerald, Lex Green, Lawrence E. Imhoff, Edward H. Reed, N. M. Mason, Phil A. Bennett, J. Edgar Chenoweth, H. Carl Andersen, Edwin A. Hall, William H. Stevenson, William T. Pfeiffer, Frank Fellows, Jesse P. Wolcott, Clarence J. Brown, Lewis K. Rockefeller, George A. Dondoro, Lawrence H. Smith, Ward Johnson, James V. Heidinger, George H. Bender, Earl C. Michener, Ralph A. Gamble, William E. Hess, William W. Blackney, William S. Hill, Bartel E. Jonkman, Lewis D. Thill, Charles H. Elston, John W. Gwynne, George J. Bates, Robert F. Jones, Karl Stefan, Joseph P. O'Hara, Melvin J. Maas, Clarence E. Kilburn, Fred Bradley, Edith Nourse Rogers, John C. Kunkel,



Henry C. Dworshak, John Jennings, Jr., Joseph E. Talbot, Frances P. Bolton, William M. Colmer, George D. O'Brien, Louis Ludlow, Charles A. Plumley, Jamle L. Whitten, Richard M. Simpson, Walter C. Ploeser, A. D. Baumhart, Jr., W. H. Wheat, Evan Howell, Robert W. Kean, Stephen A. Day, Homer D. Angell, Robert A. Grant, Leo E. Allen, Noble J. Johnson, Foster Stearns, Jeannette Rankin, Francis H. Case, Anton J. Johnson, Stephen M. Young, H. P. Fulmer.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. LEWIS].

Mr. LEWIS. Mr. Speaker, it is not often that I ask the indulgence of the House to hear me; but I do feel very strongly that this rule which has just been called up should be defeated. The rule, if adopted, would make in order S. 2208, an omnibus bill, which, in my opinion, is particularly objectionable. It includes no less than 16 titles. After a hasty examination of the bill, I believe that no one title is germane to any of the other 15.

The gentleman from Indiana [Mr. HALLECK], who last spoke, referred to the fact that of these 16 titles some are of a technical nature. Several are certainly of a controversial nature. Let us run over these titles very rapidly. Title I refers to "Emergency powers of the Interstate Commerce Commission over motor and water carriers." Title II refers to "Acquisition and disposition of property." Title III has to do with "Priorities powers." Title IV relates to "Purchase by Federal Reserve banks of Government obligations"; title V to "Waiver of navigation and inspection laws"; title VI to "Power to requisition"; title VII to "Political activity"; title VIII to "Compensation for certain civilian defense workers"; title IX to "Protection of war industries and protection of resources subject to hazards of forest fires"; title X to "Free postage for soldiers, sailors, and marines"; title XI to "Naturalization of persons serving in the armed forces of the United States during the present war"; title XII to "Acceptance of conditional gifts to further the war program"; title XIII to "Coinage of 5-cent pieces"; title XIV to "Inspection and audit of war contractors"; title XV to "Utilization of vital war information"; and title XVI to "Time limit and short title."

I believe the Rules Committee should not approve a practice of bringing before the House a bill of this character, covering so many different, diverse, unrelated subjects.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. CELLER. Does not the gentleman recall that we passed a war-powers bill which contained a great many provisions in an omnibus bill, similar to the bill that we are now considering.

Mr. LEWIS. I say that I certainly do not approve of continuing a bad practice. As to any one of several of those 16 diverse titles, there may be a great difference of opinion, but Members must vote for all or against all.

Mr. THOM. Mr. Speaker, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. THOM. I call the gentleman's attention to the fact that under title XI where we treat the question of the naturalization of persons serving in the armed forces during the present war, that all of that material was contained in a previous bill adopted by the House and sent to the Senate, and thereupon the Senate incorporated that subject in this powers bill, so that we are not doing anything new with reference to naturalization.

The SPEAKER. The gentleman from Colorado has consumed 5 minutes.

Mr. SMITH of Virginia. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. COX. I think it might be made plain that the gentleman is expressing no feeling of disapprobation of the Committee on the Judiciary. In other words, he is not criticizing the Committee on the Judiciary, but is simply criticizing the practice.

Mr. LEWIS. I am criticizing the practice.

Mr. COX. And he would have no objection to the House consideration of an omnibus bill provided the committee to which it was referred would first clear the different subject matters through the several committees having primary jurisdiction?

Mr. LEWIS. Certainly. But I am also considering the position in which the Members of the House are placed under such a rule. I believe it is a part of the duty of the Committee on Rules to consider the effect upon individual Members of the House of the rules which the committee brings before the House. For example, a great proportion of the 16 titles in this bill are not objectionable to me. But several of the titles are highly objectionable to me, and, I dare say, to various other individual Members of the House—perhaps not the same ones that I have in mind. So that the result will be, if this rule is adopted, that if motions to strike out certain titles are made, and those motions should be rejected, that I and other Members would be confronted with this situation, we would have to vote for the whole bill or vote against the whole bill, comprising 16 different titles, some of which the individual Member may approve and the rest disapprove strongly. On a roll call the Member would be charged with responsibility for approving or disapproving the entire bill.

I shall vote against this rule; something I have never done before during the several years since I have been a member of the Committee on Rules. I have high regard for the Committee on the Judiciary, of which I was formerly a member, and I have a very high regard for each and every member of the Committee on Rules. However, I think to adopt this rule would be to follow a very, very bad practice. With very little loss of time we could have had two or three bills embodying titles concerning which

there would be no controversy or objection and another bill or bills comprising that title or those titles concerning which there is controversy. We could dispose of each of such bills without consuming much time. Furthermore, Members could register their convictions on each of the subjects without being obliged to vote for a title or titles to which he objects in order to express his approval of title or titles of which he approves. That represents my position.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. LEWIS. Yes.

Mr. MAY. Of course I am raising no question now as to the propriety or impropriety of this bill, and nobody admires the great Committee on the Judiciary of the House any more than I do, but I call attention to title IV, the power of requisition, which deals directly with the act of October 16, 1941, which was adopted after lengthy hearings on a measure from the House Committee on Military Affairs. I am not certain but that this bill now repeals the provision which the House insisted should go into the act of 1941 authorizing the requisitioning of firearms owned by citizens of the country. I believe it does actually repeal it.

Mr. LEWIS. The gentleman has mentioned just one of perhaps a dozen important questions, which in 2 days' hearings before the Rules Committee were brought up. I am convinced it would be very bad legislative practice to bring this bill with all its 16 diverse titles before the House under this rule. I deeply regret that I am constrained to differ from a number of my colleagues on the Committee on Rules. I voted in committee against reporting this rule and am opposing it now. But I think in their hearts some members feel a good deal as I do and feel this is a bad practice. In this, as in some other cases, the statement was made, in private conversation, "Oh, the President approves of this." In several other cases I have found that some bureaucrats down town have the habit of saying concerning a measure they favor, "Oh, yes; the President approves of this," when I know to my certain knowledge, on certain occasions, when such claims have been made that the President had probably never heard of the bill and certainly had never given to it his blessing or approval. I do not know whether or not the President favors all or any part of this bill. Certainly we have a constitutional duty to perform.

Mr. MAY. One of my colleagues has called attention to the fact that this bill actually does repeal that portion of the War Requisitioning Act which we passed, that prohibited the taking away from a plant or industry certain pieces of machinery that would not be really required.

The SPEAKER. The time of the gentleman from Colorado has again expired.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.



Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. McLAUGHLIN].

Mr. McLAUGHLIN. Mr. Speaker, I should not speak on the rule were it not for the fact that it fell to my lot as chairman of one of the standing subcommittees of the Judiciary Committee to act as chairman in the hearings which were held on this bill.

Members who have addressed themselves to the rule to date have addressed themselves to the proposition that the rule is hardly proper for the reason that the bill contains a number of subjects which, under ordinary circumstances, are within the jurisdiction of the various committees other than the Judiciary Committee, and that it is hardly proper to refer, in the nature of an omnibus bill, so many titles to the Judiciary Committee. Speaking as a member of the Judiciary Committee—and I am sure I speak for the entire Judiciary Committee—I may say that that committee had nothing whatever to do with the reference of this bill to the committee. That is a parliamentary matter which rests outside of the Judiciary Committee. The Judiciary Committee is made up of good soldiers who do what they are told to do in the House of Representatives with respect to the performance of their duties. They do not do what anybody tells them to do in matters within their own conscience, I can assure you, but when they are told to take jurisdiction of a bill the Judiciary Committee does take jurisdiction of that bill.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Georgia.

Mr. COX. Of course, nobody is attacking the reference made of the bill by the Speaker, and I do not understand anybody is attacking the Judiciary Committee.

Mr. McLAUGHLIN. I am glad to have that statement. I am sure it is correct.

Mr. COX. You did a good job with a troublesome proposition.

Mr. McLAUGHLIN. I thank the gentleman.

Mr. COX. I think the gentleman is in error in the statement that those having addressed the House already on the rule are insisting that it is an improper rule. I think it is a very proper rule. The thought is that hereafter it might be well that the committee to which omnibus bills are referred should first clear the subjects contained in that omnibus bill through the various committees which might have jurisdiction.

Mr. McLAUGHLIN. I thank the gentleman for that statement. It assists in clarifying the situation.

This bill, I may say, is a wartime bill. It is a bill to vest certain powers in certain places and to change existing law in order to make it more workable, in order to cope with war problems more efficiently.

There are 16 titles in this bill. I shall not attempt to discuss the individual titles at this time, but in due time, in general debate, I shall be glad to endeavor to explain each of the provisions in order

that the membership may be advised as to the titles and as to the scope of the bill.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN. I only have a few minutes, but I will be glad to yield to my friend.

Mr. MAY. I would like to be permitted to make it perfectly clear that I am not criticizing the House Judiciary Committee, and I am not criticizing the Speaker in his reference of the bill, but when you consider the fact that this is a war-powers bill, and at least 10 of the 16 titles of it relate to matters of national defense, and 3 or 4 of them repeal sections of statutes that have been enacted within the past 2 years on reports from the House Military Affairs Committee, I think I ought to make it perfectly clear that that is the reason why I objected to the reference.

Mr. McLAUGHLIN. I am confident that the gentleman is actuated by the highest motives in his observations.

Mr. CELLER. Mr. Speaker, will the gentleman yield briefly?

Mr. McLAUGHLIN. I yield to the gentleman.

Mr. CELLER. It is also well to state to the Members of the House that this bill passed the Senate, and as passed by the Senate, with all of the provisions and all of its titles, was referred to our committee.

Mr. McLAUGHLIN. That is correct.

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, it is not my purpose at this time to discuss the pending rule but rather to discuss the question of procedure in the House. Early in the day the gentleman from Georgia [Mr. VINSON], the Chairman of the Naval Affairs Committee, sought unanimous consent to consider the conference report on the naval affairs bill, to which was attached an amendment, or rider, providing for the repeal of the retirement bill, which provided, among other things, for an annuity for elective officers, including Members of Congress. The gentleman from New York [Mr. MARTIN J. KENNEDY] objected to that procedure. Whereupon the chairman of the Naval Affairs Committee announced that he would seek a rule from the Rules Committee for the consideration of the matter. However, I now understand that the gentleman from New York has withdrawn his objection, and that it is the purpose of the gentleman from Georgia [Mr. VINSON] to call the matter up for consideration at the conclusion of consideration of the present rule.

Now, Mr. Speaker, what I want to call to the attention of the House is the fact that in the first instance this retirement bill should have been considered under a rule in the orderly and regular procedure, and, in calling this matter to your attention, I assure you that it is not my purpose to censure anybody or to undertake to lecture this House. I do, however, want to most strenuously object to

that kind of procedure which permits a controversial measure of this type to be placed on the Consent Calendar. Of course, Members of Congress, it might be said, are supposed to familiarize themselves with all legislation which is introduced and considered. That is good in theory, but you and I know that in these sessions of Congress there are often more than 10,000 bills introduced, and that it is a physical impossibility for any Member to familiarize himself with all of them. Moreover, it is a physical impossibility for a Member to keep up with all of the hearings and consideration of legislation considered before all of the committees of the Congress. Recognizing this fact, a procedure has been worked out whereby bills of minor importance and without controversy are usually placed upon the Consent Calendar, while the more important bills and those of a controversial nature are considered under a rule first had and granted by the Rules Committee. But there seems to have grown up a practice on the part of Members with reported bills of national interest and of a controversial nature to have them placed on the Consent Calendar rather than to go before the Rules Committee and seek a rule and go to the trouble of having a hearing thereon. The fact that this is bad practice is demonstrated in the retirement bill, the repeal of which the House will consider today.

This bill was placed on the Consent Calendar without a rule having been sought, along with 50 or more other bills. Had a rule been sought or obtained for the consideration of this legislation as a result of the hearing that would have been had thereon, the bill would not have passed in the first instance, and the House would not today be in the position of considering the repeal of that legislation. No explanation was made of the bill other than the fact that it affected the general retirement law and added some new classes not theretofore provided for.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I am sorry, but my time is up. But, Mr. Speaker, I do, in conclusion, desire to express again the hope that Members—and particularly chairmen of committees—will in the future bear this matter in mind and see to it that bills of this nature are considered in the proper and usual manner.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, my remarks will be directed to title IV of this bill.

I have no objection to the adoption of the rule; as a matter of fact, I think the House could well afford to spend some time debating the vast powers covered in the provisions of this proposal.

Mr. Speaker, the Federal Reserve System and the Bank of England today carry a financial burden such as has never before been placed upon financing institutions. Mr. Montagu Norman, who has for some 22 years been the Governor of the Bank of England, according to the



best information I can get, directs the Chancellor of the British Exchequer. I say he directs it. We have reached a situation here in the United States through the financial burden which our central reserve banking system must carry, not only in connection with our own war and peacetime burdens but in connection with that portion of the British Empire's burden which we are assuming financially, which, in my opinion, will force activities along the lines set forth in title IV; so, perhaps, irrespective of how much we dislike to have such practices again renewed, it may be necessary.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. Let me proceed just a minute.

As the report points out on pages 7 and 8 the Federal Reserve banks were, prior to 1935, able to buy issues direct from the Treasury instead of going through the open market mechanism. The Banking Act of 1935 forced discontinuance of that practice. Today the Federal Reserve banks, when instructed by the open market committee and the Board of Governors to proceed along certain lines, must all proceed; that is the 12 banks must; there is no dropping out permitted by any individual Reserve bank. They must all go along.

It seems to me that the procedure set forth in title IV ties directly into the question of inflation and with which we must now deal and with which we are attempting to deal under the so-called Price Control Act which became law only last month. I understand that the latest estimates show we shall have a national income this year of about \$102,000,000,000, that we shall produce consumer goods and services of approximately \$63,000,000,000, leaving a difference there of about \$39,000,000,000. If within the next few weeks this House enacts tax laws calling upon our people to throw into the Federal Treasury say \$22,000,000,000 a year in the form of Federal taxes, that will leave us with an excess of approximately \$17,000,000,000; and, borrowing language of the Price Administrator, that \$17,000,000,000 can rattle around in our pockets and add to the prices of goods which we buy if we are permitted to bid against each other in the open market therefor. As the Federal Reserve banks proceed to take up these issues directly from the Treasury we shall probably find that that is as inflationary as any bank activity can possibly be; but I would not say any more inflationary than it would be for the commercial banks of the country to make the purchases direct from the Federal Treasury.

Either way you wish to make it, that is, through the 12 Federal Reserve banks or through the 5,500 to 5,700 reserve member banks when they buy these issues directly from the Treasury, it will eventually add to the demand deposits of the people of this country and thereby throw fuel on the fires of inflation.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan.

Mr. CRAWFORD. So as the debate proceeds under this bill we shall hear a lot more about the potential consequences, financial, economic, and otherwise, under title IV of this vast, power-giving proposal. I hope close attention will be given to all the debate on this bill. With the others, I regret that such powers are called for, I regret that they are necessary; but after all we shall find out that this war effort will eventually take our full measure.

Mr. Speaker, this is a very big and rather grave question. It will bear very close investigation, study, and discussion. We have a very long way to go before this war, and its aftermath, will have been financed. It has been pointed out that if the people out of their own individual savings and income go to the Treasury and purchase bonds with which to finance the war activities that, to that extent, inflation will be prevented. But that approach can well be questioned. For example, our people now have within their possession, whether it be in hiding or otherwise, some \$11,200,000,000. We will admit that at least \$6,000,000,000 of this is in active circulation, making it more convenient to transact business from day to day. But that still leaves \$5,200,000,000 to deal with. If this latter sum is used with which to purchase Government issues and is then distributed to individuals by the Treasury who proceed to spend the \$5,200,000,000 instead of having it remain idle, or let us say in hoarding as originally, it can in that case actually develop into an inflationary force. We might make a similar observation with reference to demand deposits to the credit of an individual. Suppose that I have a very inactive demand deposit account to my credit at the banks of, let us say, \$10,000 and I proceed to purchase Defense bonds to that extent and later the Treasury disburses that money to individuals who make it active in the open market. It would then become an inflationary force as against an inactive sum of money so long as I keep it squelched by not letting it act, although in the form of a demand deposit to my account. Now that we must, whether we like it or not, deal with this question of financing the war activity and inflation and advance in the cost of living and increased wages and frozen prices, we might as well give the whole matter more serious attention than we are doing at present. It does appear to me that the program of the Treasury and the Congress is one that will bring about great inflation in prices. I have not yet seen how this is to be prevented. I have no great faith in the ultimate accomplishments of the price-control machinery, as conscientious as it may operate. It will need help and a great deal of it. This proposal gives us another opportunity to further consider the whole approach.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore (Mr. MILLS of Arkansas). Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman yields back 1 minute.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA. Mr. Speaker, in considering the rule the Judiciary Committee had considerable of a problem in dealing with so many unrelated acts. For example, many of them are legislative matters which would probably have been referred to other committees. There are many features of this bill that are necessary; however, I agree with the gentleman from Michigan that there is much to be worried about in reference to title IV of this act.

May I say also in regard to title II of the act dealing with the acquisition of property that I hope the House will consider very seriously an amendment to be offered by the gentleman from Alabama [Mr. HOBBS] in connection with this particular title. I do not know of anything that is more drastic than the condemnation and the acquisition of property by Federal, State, or municipal governments. For the first time in the history of this country we will have the matter of acquisition of personal property. The element of damages which enters into this fact is something that unless there is protection for the property owner as to the measure of damages to which he is entitled can do a great injustice to that property owner. I sincerely hope that the matter of this amendment will be very seriously considered by the House when the amendment is offered.

Mr. DEWEY. Will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Illinois.

Mr. DEWEY. One of the gentlemen in discussing the rule mentioned confiscation of firearms. Was that brought up in the committee at all?

Mr. O'HARA. No. That is specifically exempted under title VI of the act.

Mr. DEWEY. There is the inclusion of personal property. Would those be exempt?

Mr. O'HARA. Those are exempted under title VI of the act, as I understand it.

Mr. MAY. Will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman will recall that title VI of this bill relates to the acquisition of personal property and that last year we passed a bill authorizing the President to requisition personal property.

Mr. O'HARA. The gentleman is correct.

Mr. MAY. He would first fix a valuation on it, pay the owner 50 percent of the value, then the owner could go in and state his case in court in a condemnation proceeding by the Government and get the remainder of the value of the property.

Mr. O'HARA. That is right.

Mr. MAY. The Military Affairs Committee brought this bill to the House of Representatives, and under an amendment suggested by the gentleman from New York [Mr. TABER] there was matter



written in the bill to protect the owner of a machine in a private industrial plant. It went to conference and was brought back to the House. The House rejected the conference report, which had eliminated that; yet they come back here, go to another committee, and ask that it be reinstated.

Mr. O'HARA. The gentleman's observation is, I feel, a justifiable criticism in referring so many unrelated matters to one committee.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. I may say to the gentleman that the Taber amendment was adopted before this country went into war. Conditions since December 7 are vastly different from those obtaining before that time. The amendment to which the gentleman refers, striking the Taber amendment, is an amendment that was agreed to and reported favorably by the Committee on the Judiciary in the light of war conditions.

Mr. MAY. Will the gentleman yield further?

Mr. O'HARA. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman from Nebraska, of course, is a good lawyer, and he knows that under the other act the owner was given 50 percent of the value, then the Government would immediately requisition the property and take it over. There was no delay.

[Here the gavel fell.]

Mr. MICHENER. Mr. Speaker, the debate thus far has demonstrated clearly the importance of this bill. The chairman of the Committee on Military Affairs has stressed the necessity of sending the several titles to the respective committees ordinarily dealing with the subject matter. May I suggest that this rule provides for 4 hours of general debate, which is liberal. All Members will have an opportunity to understand what the bill is about. Under the rule the bill will then be considered under the 5-minute rule. May I suggest to the gentleman from Kentucky [Mr. May] that when the title in which he is interested is up for discussion, that he, with his committee, be on the floor and fully advise the House and offer such amendments as in the judgment of the Military Affairs Committee are proper.

If the Committee on Interstate and Foreign Commerce will follow the same course; if the Committee on Banking and Currency will follow the same course; if every committee interested in any title in this particular bill will follow that course and religiously become interested and come upon the floor, there is no reason why a proper bill should not be written and the House be fully advised. This is Tuesday. There will be no vote on this bill. I am informed, before Thursday, or Friday if necessary. There will be sufficient time under the 5-minute rule to consider thoroughly all the details and the necessity of granting these extraordinary powers.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Kentucky.

Mr. MAY. I cannot speak for my committee but I can speak for myself. I think that when title VI is reached I shall be here with a motion to strike it out.

Mr. MICHENER. I hope the gentleman will be present and give the House the benefit of his views. I want it understood that the Committee on the Judiciary did not seek this bill. That committee as a whole did not think that this bill should come in this form. However, due to administration insistence and because of the necessities of the war and the time requirement, the committee reported the bill.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Missouri.

Mr. SHORT. Does the gentleman feel it is necessary and essential for us to abandon democracy here in order to try to establish it abroad, or that we should set up a Hitler by the passage of this bill in order to get rid of one 4,000 miles away?

Mr. MICHENER. I answer the gentleman from Missouri by saying this: No war ever has been won by this country and no war can be won by this country, if this country insists upon all its peacetime democratic principles, rights, and privileges during the time of war. During the Civil War the President even suspended the writ of habeas corpus.

Let us be fair about this. I think I have a right to talk about the Bill of Rights and all that, because I have been one of those who, down through the years, has in season and out of season, objected to vast powers being granted to the Executive—this gnawing away of the democratic rights of a free people. But today we find ourselves in the war. It does not make any difference how we got in, it does not make any difference whose war it was or is, it is our war now. It is our fight. We must yield to the administration any power necessary to win. If we do not win, we are going to lose. That is unthinkable but it can happen if we quibble over form and hold back essential power. All the democratic principles which we cherish so dearly, which we hope and expect to regain, and which this bill provides shall be returned after the emergency, will not be enjoyed by our people in the future unless we win this war. That is why I am going to vote to surrender some of these powers momentarily—to help win the war. I do not want to lose our liberties any more than the gentleman from Missouri does. To me it is necessary to surrender some of our freedoms temporarily in order that those same freedoms may be assured to us down through the years.

Mr. Speaker, I yield the minute I have remaining to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, may I supplement the observations made by the distinguished gentleman from

Michigan [Mr. MICHENER] by directing attention to this interesting fact I have observed, that Anglo-Saxon government, that is, our sort of government, has been able to fight great wars because we have had the genius to concentrate emergency powers in the Executive, and at the same time to retain the power to control the exercise of such powers if necessary, and to retain the power to recapture and redistribute those extraordinary powers when the emergency has been ended.

With regard to this particular bill, it will be observed that that is exactly what the Committee on the Judiciary has attempted to do. At the conclusion of the bill it will be observed that the Committee on the Judiciary has incorporated a provision which enables termination of these extraordinary powers by concurrent resolution.

I compliment the distinguished gentleman from Michigan on having clearly stated the policy which must be observed by a democracy fighting a great war.

Mr. SMITH of Virginia. Mr. Speaker, I yield one-half minute to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Speaker, I have asked for this time simply to say that I do not believe the gentleman from Minnesota [Mr. O'HARA] meant to sever the two amendments I shall offer relating to the seizure of personal and real property. I think he favors both of them.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, a good deal has been said here about the number of various and sundry odds and ends contained in this bill that could have properly gone to other committees. I am sure everybody in the House shares my own feeling that no committee of the House is better equipped to handle a variety of questions than the Committee on the Judiciary. I do think this bill has placed quite a hardship upon that committee. I am glad to say an arrangement has been worked out for the future for these war-powers bills by which the Committee on the Judiciary and the other standing committees of the House will be able to consider the various titles more or less in joint fashion.

I believe we will all agree that, as has been said by the gentleman from Michigan, in times of stress such as these we do have to grant wide powers, and it is necessary to do so in this bill. I think the only question in this bill is that the House should examine it with a great deal of care, title by title, and debate it title by title with one purpose in view; first, to see that we do grant all necessary powers for this emergency, and second, to see that we do not grant any unnecessary powers.

As I have examined this bill during the hearings before the Committee on Rules on the subject it has occurred to me that there are powers in this bill that go further than may be necessary for this emergency. I believe and I hope that as the bill progresses in consideration under the 5-minute rule we shall examine these titles with a great deal of care and, if necessary, put limitations in the way of amendments on these powers so as to



cut the grant of powers to the point that may be necessary to be sure that we grant all the powers needed to be granted but do not grant unnecessary powers that may be at some future time misused.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

**PAY AND ALLOWANCES OF PERSONNEL OF THE ARMY, NAVY, MARINE CORPS, AND COAST GUARD AND REPEAL OF RETIREMENT FOR ELECTIVE OFFICERS**

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6446) to provide for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and Reserve components thereof, and civilian employees of the War and Navy Departments, during periods of absence from post of duty, and for other purposes, with a Senate amendment, disagree to the Senate amendment and ask for a conference.

Mr. MARTIN J. KENNEDY. Mr. Speaker, reserving the right to object—

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll when the following Members failed to answer to their names:

[Roll No. 28]

|                 |                |                |
|-----------------|----------------|----------------|
| Anderson,       | Johnson, W. Va | Rizley         |
| N. Mex.         | Kleberg        | Sacks          |
| Arnold          | Kramer         | Schaefer, III. |
| Cole, Md.       | McGranery      | Sheridan       |
| Eberhart        | Magnuson       | Smith, Pa.     |
| El'iot, Mass.   | Marcantonio    | Somers, N. Y.  |
| Fish            | Mitchell       | Sparkman       |
| Gearhart        | Norton         | Stearns, N. H. |
| Healey          | O'Day          | Tolan          |
| Jarrett         | Osmer          | Vreeland       |
| Johnson, Calif. | Pierce         | Walter         |
| Johnson,        | Plumley        | Worley         |
| Lyndon B.       | Powers         |                |

The SPEAKER. On this roll call 395 Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6446 with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, there has been some question on this side concerning the extent to which the gentleman's instructions go. There are many who realize under the act 200,000 employees have been brought into the pension roll, including many heads of departments and others holding high positions in the Government. These minority Members wish to know if there will be an opportunity to have a separate vote upon these additions to the pension rolls.

Mr. VINSON of Georgia. Mr. Speaker, if the gentleman will permit, I shall try to explain the situation so everyone will thoroughly understand just what we are trying to do. If I am granted permission by unanimous consent to go to conference then I shall offer this motion:

Mr. VINSON of Georgia moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H. R. 6446 be, and they are hereby, instructed to agree to those portions of the Senate amendment relating to the repeal of that part of the Civil Service Requirement Act providing retirement privileges to elective officers and heads of executive departments.

Now, the House will understand that section 15, commonly referred to as the Senator Byrd amendment, is in this language:

SEC. 15. (a) The last sentence of subsection (c) of the first section of the Civil Service Retirement Act, approved May 29, 1930, as amended, is amended by striking out "any elective officer."

Now, I am instructing the conferees to agree to that part of the Senator Byrd amendment, subsection (a) of section 2 of the act of May 29, 1930, as amended by striking out—

*Provided, however,* That no provision of this or any other act relating to automatic separation from the service shall have any application whatever to any elective officer.

By my motion I am instructing the conferees to agree to that.

This is the only portion of the Byrd amendment that relates to elective officers, and, in my motion, I am asking that we be compelled by direction of the House to adhere and agree to that.

Then the Byrd amendment does what? It puts another provision into the Ramspeck law that was passed in this language:

This act shall apply to all officers and employees in or under the executive, judicial, and legislative branches of the United States Government, and to all officers and employees of the municipal government of the District of Columbia, except elective officers and heads of executive departments.

By the motion I am offering I am binding the House conferees and enabling you to have a direct vote on two points: One is adhering and repealing the annuity retirement or the pension to elective officers, and, also, eliminating any opportunity of executive heads of departments having the benefit of the retirement law. This is the parliamentary situation and it is what happens by virtue of the instructions given here.

Mr. MARTIN of Massachusetts. The gentleman intends in conference to make certain that the full Byrd amendment is accepted and passed; that the high-salaried executives be also excluded from the pension provisions.

Mr. VINSON of Georgia. Then the House conferees will consider how far these other portions of the Byrd amendment apply, and to whom it applies, and take up the consideration of the act as it applies to all officers and employees in and under the executive, judicial, and legislative branches of the Government. If the conferees determine that that is too broad, then the conferees will bring in a restriction. If, on the other hand,

the conferees determine that that is all right, then it is submitted back to the House for you to determine whether or not you agree with the recommendations of the conferees. Then the House will have full opportunity to vote up or vote down the acts of your conferees, with the assurance that the conferees must do two things—adhere to eliminating the elective officers and the heads of executive departments if you adopt this privileged motion that I am offering.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I reserve the right to object to the unanimous-consent request of the gentleman from Georgia [Mr. VINSON]. My reservation runs to the principle involved in the present procedure.

The explanation given by the gentleman from Georgia [Mr. VINSON] proves that this legislation should be treated as a separate item and not as a rider to a naval bill. The statement by the gentleman from Georgia [Mr. VINSON] concerning the proposed amendment demonstrates that no subject, as involved as retirements benefits should be regarded as a side issue.

It is difficult to vote on a proposal that is so little understood but so greatly misrepresented. However, I feel sure that the conferees will work out a solution of their problem that will be satisfactory to all the interested parties.

Another thing it might be well to discuss, is the merits of the retirement plan. Without any proper debate on the amendment we are being rushed into a vote on the proposition and without any good reason for the haste.

Thirty-three Members of this House and the two Senators from my State are members of our employees' retirement system. We from New York will not be affected financially one way or the other by the action we take here today. We will not get one penny out of the Federal Treasury from the Retirement Act we now propose to repeal. Our interest in this question is purely academic, but if 35 members of the Congress are eligible for a retirement allowance from a State system, and 10 former Members of the Congress are receiving a pension, I believe that a similar plan should be made available to the entire House membership.

The whole subject of retirement allowances has been presented in a loose and unfair fashion. The press has made Congress look ridiculous before the whole country on the basis of a pension "grab." During a recent discussion on this floor I submitted some cost figures, which were published in the RECORD, in order to show the actual outlay for membership in the retirement system. Briefly, before I reach the retirement age I will have more than 28 years of service to my credit and will have contributed at least \$9,000 in cash. That is a different story compared to the story printed in the newspapers.

I regard the position, assumed by some Members on this question, as a confession of guilt that does not in fact exist. Members of Congress who have served for more than 25 years are entitled to consideration by way of retirement benefits. Unfortunately, public opinion has been inflamed by the press and radio and, as a result, there is a demand for repeal.



should not have placed it on the Consent Calendar where it would not be subject to open debate as controversial measures are usually and ordinarily handled. I think it is generally understood, and if any Member disagrees with my statement on this point I shall be glad to hear from him, bills on the Consent Calendar are regarded as being noncontroversial in their nature. They do not, in the judgment of those in charge of the legislation, need to be debated on the floor of the House. Certainly this provision of the bill was highly controversial and should have been fully and properly debated. Then have a roll call so the Members could be counted and recorded.

Let it be understood that I have no quarrel with those who differ with my views, and who believe in the merits of such legislation.

Although there has been some misunderstanding with regard to the effect of such legislation, I believe it is fundamentally wrong. I believe, among other things, it helps to destroy the independence of Congress, and that is one thing we need right now.

Mr. Speaker, there are many of us who insist that all nonessential expenditures be cut out; that spending of money not needed for the prosecution of the war be curbed wherever it is possible to do it. We must have economy in Government wherever it can be accomplished.

Right now, people throughout this broad land of ours are asked to economize, so as to have more to contribute to the Red Cross and to buy Defense stamps and bonds. A whole lot more of it is going to be required in the near future. I believe that economy, like charity, should begin at home. Legislation granting retirements for elective officials is unsound, uncalled for, unnecessary, and ill-advised. It should be repealed.

Mr. Speaker, our country is facing the most critical hour in its history. If we ever needed unity of purpose it is at this very hour. That purpose is to win the war, and to do it at the earliest possible date. We must bend all of our energies and our efforts in that direction, and do it now.

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a short statement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SOUTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an order from the city council of the city of Lynn.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SIKES. Mr. Speaker, on February 22 our distinguished majority leader, the Honorable JOHN W. McCORMACK, delivered an address to the United America-Franklin D. Roosevelt dinner. It is an outstanding message from a great American. It merits the careful thought and consideration of every Member of this House, and I ask unanimous consent that it may be inserted in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CREAL. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I made today.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by my colleague, the gentleman from New York [Mr. MARTIN J. KENNEDY], on Sunday, February 22, 1942.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

#### LEAVE TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that tomorrow, after the disposition of business on the Speaker's table and any special orders, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include a short statement.

The SPEAKER. Is there objection?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I want to compliment the Naval Affairs Committee on its action taken yesterday in unanimously approving of keeping section 16 in this bill. This is identical with S. 2132. I also appreciate the frank statement in reference thereto made during the course of this debate

this afternoon by the gentleman from Georgia [Mr. VINSON]. I was pleased indeed to see that the House offered no objection on the part of any Member to the inclusion of this provision in this bill, which will insure the earliest possible completion of the new lock in the St. Marys River at Sault Ste. Marie, Mich.

Mr. Speaker, you and every Member of this House know that I have repeatedly been advocating the early adoption of S. 2132 and that the provision for this lock be forthwith taken out of the omnibus rivers and harbors bill, where it has lain bottled up for months. I have repeatedly made statements on this floor with respect to the importance of this new lock. During the course of this afternoon several Members have informed me that it is felt by a number of the members of the Rivers and Harbors Committee that I have at times unjustly attacked the chairman of that committee, Judge MANSFIELD, of Texas. I intended no attack. I want to assure you that I have the highest personal regard for our esteemed colleague from Texas. I have frequently sought, and he has graciously given me, advice on pending legislation pertaining to his committee. On other occasions he has co-operated wholeheartedly with me in the furtherance of legislation pertaining to problems within my district. I sincerely admire him and have always regarded him as a personal friend. I have as sincerely felt that the action, for which I have been told he assumed responsibility—of keeping this Soo lock measure bottled up in the omnibus bill—was unwise at this time and seriously detrimental to the Nation's welfare. For that reason, and for that reason only, I have felt justified in criticizing his official action in that regard. I am at all times more than willing to apologize to him for anything which he might consider an unfair personal attack and shall be more than glad to seek unanimous consent to withdraw from the RECORD any utterances of mine which might be considered as an attack on him personally.

I understand from the newspapers that Judge MANSFIELD now not only approves of our action here today but, if called upon, stands ready to speak in favorable support of our action. From the bottom of my heart I thank him for his change of heart.

#### SECOND WAR POWERS ACT, 1942

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2208), to further expedite the prosecution of the war. The motion was agreed to. Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2208, with Mr. COOPER in the chair.

The Clerk reported the title of the bill.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.



Mr. SUMNERS of Texas. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. McLAUGHLIN].

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. McLAUGHLIN. Yes.

Mr. RANKIN of Mississippi. Mr. Chairman, I do this to announce that our distinguished colleague the gentleman from Oregon, Mr. WALTER M. PIERCE, was called home suddenly on account of the death of his son. He asked me to announce that if he were present he would vote "yea" on the resolution just agreed to.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield also to me?

Mr. McLAUGHLIN. Yes.

Mr. PLUMLEY. My colleague the gentleman from New Hampshire [Mr. STEARNS] was unable to be present. If present he would have voted "yea."

Mr. McLAUGHLIN. Mr. Chairman, the bill before the committee under the rule is S. 2208, the second war powers bill. We have already passed one War Powers Act, with which we are familiar. The present bill, as has been pointed out during the debate upon the rule, is an extensive and a comprehensive bill. Some discussion has been had as to the propriety of the reference of the bill to the Committee on the Judiciary. During the debate on the rule I was granted a short period of time, and attempted at that time to set forth the circumstances under which the bill was referred to the Committee on the Judiciary. I may amplify that by saying that the first war powers bill, an emergency bill dealing with subjects and having to do with matters involved in the prosecution of the war, contains subject matter which normally would not have been referred to the Judiciary Committee, but that bill was made up into the form of an omnibus bill in order that it might be considered expeditiously for the reason that the topics or subject matter had to do with emergency powers, and matters in connection with the prosecution of the war. The same thing is true of the present bill, except that the present bill is more extensive and more elaborate. I think it only proper at the outset to say that the fears of many of the Members of the House who have asked members of the Committee on the Judiciary about this matter are unfounded. This bill is not the drastic, far-reaching, I might even say radical, bill, which some Members of the House fear that it is. The fact is that this bill is not highly controversial. It contains some provisions upon which there will be difference of opinion, and that difference of opinion will no doubt be threshed out during the general debate, and, under the 5-minute rule, when full opportunity will be afforded for the offering of amendments.

S. 2208, entitled "An act to further expedite the prosecution of the war" is generally known as the Second War Powers Act. It consists of 16 titles, 15 of which deal with substantive law, and the sixteenth with formal matters such as the time limit of the act and title thereof.

Of the 15 titles dealing with substantive law, seven or eight have to do with legislation upon subjects which are normally referred to the Judiciary Committee. The bill is in the form of an omnibus bill, and the entire bill was referred to the Judiciary Committee, where it was considered. Hearings were held before subcommittee IV, of which I happened to be chairman, and the bill was reported to the full Judiciary Committee. The committee reported favorably to the House. The subjects dealt with have to do with matters affecting the prosecution of the war. The bills in their original form are the result of the work of a Committee which was organized in the Department of Justice with the approval of the President shortly after the war broke out. The members of the Committee were: Judge Townsend, Acting Solicitor General; Mr. Oscar Cox, General Counsel of the Office of Production Management; Mr. Kemp, General Counsel of the Bureau of the Budget, designated by Mr. Harold Smith, Director of the Budget; and Mr. Francis Biddle, Attorney General of the United States.

This committee wrote to all departments and requested them to clear through the committee any legislation they had in mind in view of the fact that the bill might affect various governmental departments. The titles, therefore, have been cleared through the various departments and also with the Bureau of the Budget. The proposed legislation was submitted to the Speaker of the House and referred to the Judiciary Committee.

#### TITLE I

Title I of the bill confers upon the Interstate Commerce Commission the same emergency powers over motor carriers which the Interstate Commerce Commission now has over railroads under section 15, part 1, of the Interstate Commerce Act. Under these powers the Interstate Commerce Commission is authorized to suspend the ordinary lengthy procedure involved in Interstate Commerce proceedings and to make directions with respect to the operation of railroads so as to permit speedy movement of traffic by means of directions for preference and priority of movements. This power is very definitely needed in wartime because of the dangers of congestion in traffic and the necessity for permitting delivery of necessary materials. Under the existing law the emergency powers of the Interstate Commerce Commission over railroads and water carriers is limited to a period of 180 days. Under title I of the act these powers are extended to cover the period covered by the act. On the termination of the emergency the 180 days' restriction will be reinstated.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I would be glad to yield to my colleague.

Mr. HOLMES. With reference to the powers granting the Interstate Commerce Commission the power to take over motor carriers the same as applies to section 15, part 1, of the act, I presume that

has reference to common carriers by motor and contract carriers by motor?

Mr. McLAUGHLIN. That is correct.

Mr. HOLMES. And it does not refer to private owners of trucks?

Mr. McLAUGHLIN. That is right. It deals with common carriers, the subject over which the Interstate Commerce Commission has jurisdiction.

Before leaving that subject, I may say there has been some discussion as to whether or not this interferes with State laws and regulations with respect to sizes and weights of motor vehicles. That power is continued in the State commissions. The bill does not affect the powers of the State commissions in that respect.

Title II of the bill relates to the acquisition of real and personal property. The present war-purpose act of 1917 relates to the acquisition of real property and applies only to the Secretary of War. Title II extends the terms of this act so as to cause it to apply to the Secretary of the Navy and to any other officer or agency designated by the Government, and also extends the act so as to provide that personal property may be acquired in the same condemnation in which real property is acquired, provided the personal property is obtained only as an incident to the purpose of obtaining the real property.

The act of 1917 was not clear on this point and title II clarifies the law and makes it definite that real property and personal property attached thereto may be condemned in one action. The title also provides a method of saving time in acquiring property by allowing the Government to take over lands condemned before the Attorney General has passed or approved the validity of the title. This cannot be done under the present law.

#### TITLE III

Title III is proposed by Mr. Donald Nelson of the new War Production Board. It puts teeth in the priorities law enacted by Congress in 1940 and amended in 1941. Under the present law various administrative provisions affecting priorities are available to the Office of Production Management. These are in the way of sanctions, such as cutting off power, and the withdrawing from a factory of materials, such as aluminum. However, this defeats its own purpose, as it is the intention of the Government that the factory continue to operate. This title puts a criminal penalty into the act in order to make it effective. It provides enforcement machinery by extending the power of the President so as to authorize him to require the keeping of records and to authorize the inspection of books and documents, and the making of all investigations which he may deem necessary or appropriate to the administration of the priorities system. It writes into the law the same provisions with respect to the subpoena powers as now appear in the price-control law recently enacted.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield.



Mr. HINSHAW. I confess to some ignorance as to whether there is contained in other law a provision that a man may be fined a considerable sum of money or placed in jail for the violation of a rule or regulation promulgated under the law. Is that contained elsewhere in other statutes?

Mr. McLAUGHLIN. It is not contained in the present law affecting this situation.

Mr. HINSHAW. But it is in this amendment to the law?

Mr. McLAUGHLIN. That is correct.

Mr. HINSHAW. Is this the first time it has appeared that a man can be fined or imprisoned for the violation of a rule?

Mr. McLAUGHLIN. So far as concerns priorities, this is the provision which puts the penalty in the law.

Mr. HINSHAW. The gentleman is an eminent member of the Committee on the Judiciary. I am wondering whether he has considered the possibility of, perhaps not under the present administration, but under some administration, the abuse of such provision—

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. HINSHAW. Whereby some rule might be promulgated that would cause a man to be fined or be put in prison for violation of a rule that he would not have any knowledge of, because it would not be a law and he would not know it had been printed. It is printed only in the Federal Register because it is simply a regulation. I would like to have the gentleman explain that provision of the bill.

Mr. McLAUGHLIN. I am glad to know the gentleman's concern about that. That is a particular subject that has been discussed on this floor, and we are all conscious of what has transpired with respect to it. So far as the bill under consideration is concerned, I do not believe it would contribute much to an understanding of this bill to discuss the administrative sanctions under the law.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. HANCOCK. The subpoena provision in this bill is identical with a similar provision in the price-control bill which was passed by the House some months ago.

Mr. McLAUGHLIN. That is correct.

Mr. HANCOCK. And is much more liberal than the subpoena laws which were copied from other statutes.

Mr. McLAUGHLIN. I thank the gentleman from New York for his contribution. The gentleman from New York has taken a very active part in working on this bill and was very helpful in working out this provision to which he refers.

Provision is made for the maintenance of secrecy of the information secured where such information is deemed to be confidential or where a request for confidential treatment is made by the person furnishing such information. A penalty is provided for violation of this provision of the act. The power of this title is of tremendous importance in the conversion of civil plants to war orders, and in providing for the maximum use of our Na-

tion's industry. It is imperative that the Government have the power to require particular plants to carry out particular war orders whether such plants are working on a contract with the Government or on a subcontract. Provision is contained in subsection 7 to title II which will relieve from damages or penalties for default under any contract or order, any person whose penalty or default results directly or indirectly from compliance with the priorities provision of the act, regardless of whether the rule or regulation or order setting up such priorities is subsequently declared by judicial or other authority to be invalid.

#### TITLE IV

Title IV of the bill permits the Federal Reserve Bank to purchase Government securities directly from the Treasury instead of requiring such purchases to be made in the open market.

In other words, title IV amends the present Federal Reserve Act of 1935 by removing the restriction that the purchase of Government securities by the Federal Reserve System shall be limited to purchases in the open market.

From 1913 when the Federal Reserve System was established, to 1935, no restriction existed with respect to the method in which the Federal Reserve System might purchase Government securities. In 1935 the Federal Open Market Committee, comprised of the members of the Federal Reserve Board and five representatives of the Federal Reserve banks, was empowered to control purchases of Government securities which were made by the 12 Federal Reserve banks. It was then felt desirable to restrict purchases of Government securities to purchases in the open market. In view of the war emergency and the large amount of borrowing that will be necessary to finance the war, the Federal Reserve System must now be able to meet any situation which may arise. The Chairman of the Board of the Federal Reserve System testified before the subcommittee on this subject and stated that it is essential for the Federal Reserve System to be given the power to purchase Government securities directly from the Treasury as well as in the open market in order to maintain a stable market for Government securities during the war. Title IV has the approval of the Chairman of the Banking and Currency Committee of the House and of Senator CARTER GLASS, the author of the law which established the Federal Reserve System in 1913. The bill does not contain any provision requiring or compelling the Federal Reserve System to purchase Government securities directly from the Treasury. The effect of the title is merely to remove the existing restriction so as to permit the Federal Reserve System to purchase Government securities either on the open market or directly from the Treasury as it deems advisable. The Chairman of the Federal Reserve Board testified that it is necessary to have the open market restriction removed in order to meet emergencies which may arise during the war and which cannot be foreseen at this time. The powers which title IV will

give to the Federal Reserve System are now possessed by other central banks, such as the Bank of Canada and the Bank of England. The Committee on the Judiciary is of the opinion that this title is essential not only for the purpose of financing the war but as a protection to the holders of Government securities who may be disastrously affected if the Government securities market does not remain stable.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I am glad to yield to my colleague from Wisconsin.

Mr. KEEFE. Does the gentleman from his consideration of title IV and the testimony which was taken on it believe there is any greater threat of inflation that will result from the passage of this amendment permitting the direct purchase by the Federal Reserve Bank System of Government securities than that which now exists as a result of the recurrence of continuous huge deficits?

Mr. McLAUGHLIN. I am personally satisfied that the plan under which securities are purchased by the Federal Reserve banks directly from the Treasury is no more inflationary than the plan under which they are required to be purchased in the open market.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the distinguished gentleman from the Committee on Banking and Currency.

Mr. WOLCOTT. Did the gentleman's committee have any witnesses before it other than Mr. Eccles on this matter?

Mr. McLAUGHLIN. We had Mr. Eccles, and we had written communications from the Secretary of the Treasury who gave his approval unqualifiedly of this provision of the bill. I may say that in addition to the testimony before our subcommittee of the Judiciary Committee the Rules Committee had before it the economist of the Federal Reserve System, who was examined at considerable length.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. McLAUGHLIN. I yield.

Mr. SUMNERS of Texas. As I recall it, the president of the American Bankers Association addressed a communication to the committee endorsing the bill.

Mr. McLAUGHLIN. I thank the distinguished chairman of the Judiciary Committee. He is correct. The president of the American Bankers Association advised the Judiciary Committee that that association was in favor of title IV of the bill.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. From New York newspaper and press reports I got the impression that all of the New York banks of consequence were fairly cooperative in going along with this proposal. Was there any testimony before the gentleman's committee contrary to that?

Mr. McLAUGHLIN. We have had no opposition from that source and I assume



they are well advised as to that provision of the bill.

Mr. CRAWFORD. Is it not the gentleman's conviction based on testimony submitted to his committee that financing the Treasury's issues through sales to commercial banks directly from the Treasury is just as inflationary as it is for the Treasury to sell its issues directly to the Federal Reserve banks? Do I make myself clear?

Mr. McLAUGHLIN. Yes; the gentleman makes himself clear. This provision, title IV, is a mere removal of restriction on Federal Reserve banks.

Mr. CRAWFORD. I understand that.

Mr. McLAUGHLIN. And it does not deal with the question to which the gentleman refers, but simply removes the restriction now imposed upon the Federal Reserve banks that they must purchase their securities in the open market.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 additional minutes to the gentleman from Nebraska.

Mr. CRAWFORD. If the gentleman will permit, I think my question goes right to the heart of this and it is the only problem in my mind about title IV. Would it be more inflationary to sell Treasury issues directly through the 12 Federal Reserve banks than to sell those issues directly to commercial banks?

Mr. KEEFE. That is just the question I asked a moment ago.

Mr. McLAUGHLIN. I shall not attempt to pass on that. I am not a member of the gentleman's committee and I yield to his superior knowledge on the subject. However, we are not confronted with that question at this time. Government obligations will be bought by the Federal Reserve System whether or not title IV becomes law. The effect of the title, if enacted into law, will be merely to permit the Federal Reserve System to continue to purchase Government obligations on the open market as it now does, or, in the exercise of its discretion, if you please, to purchase them directly from the Treasury. It will not have any particular effect on the commercial banks. Certainly it will have no compulsory effect on either the commercial banks or the Federal Reserve banks.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. May I direct attention to the fact that the chief reason urged by the representatives of the Federal Reserve Board as to why this alteration in existing law should be made is that in a situation where something has happened, like Pearl Harbor, it had a tendency to weaken the general market for securities; and it would be better if the Federal Reserve banks could take a pending offer of securities directly from the Treasury than it would be to wait until those securities struck a weak market. There would be less shock. They would avoid a shock. That was the chief reason offered, as I recall it.

Mr. McLAUGHLIN. I thank the gentleman. That is one of the reasons, and it is one to which I referred, with-

out pointing out a specific catastrophe, such as Pearl Harbor, when I stated that it is needed to meet any emergency which may arise and which may not be foreseen at this time.

Mr. DEWEY. Will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Illinois.

Mr. DEWEY. In regard to the letter from the president of the American Bankers Association, may I question the endorsement of that organization, because it is stated that the American Bankers Association does not oppose this extension of authority to the Federal Reserve System as a war measure. It recognizes that certain restrictions which normally safeguard the fiscal, monetary, and banking systems are often inoperative in time of war. It is of the utmost importance, however, that there be a definite termination of the authority with the resumption of peace, as has been provided in this bill. That is scarcely an endorsement. They say, "We will go along, provided the powers are very, very conservatively used."

Mr. SUMNERS of Texas. May I say to my distinguished friend that insofar as I gather the attitude of the Judiciary Committee it is in agreement with the position of that gentleman.

Mr. McLAUGHLIN. That is correct. Of course, this is an emergency provision that terminates with the termination date of the bill, which is December 31, 1944.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. McLAUGHLIN. Mr. Chairman, title V directs the Secretary of Commerce to waive compliance with navigation and inspection laws upon the request of the Secretary of the Navy and Secretary of War to the extent deemed to be necessary during the conduct of the war by the officer making the request. The Secretary of Commerce, and the Chairman of the Maritime Commission, and representatives of the Army and Navy urge that the power of waiver be granted because of the need for speed in the movements of troops and materials under wartime conditions. The original proposal set up a complicated system as a condition precedent to securing waiver, and the authorities dealing with shipping took the position that this would so slow up the procedure that it would interfere with the war movements of ships.

Title VI removes from the requisitioning law the prohibition which forbids the taking of machinery or equipment which is in actual use and necessary for the operation of a factory or business. This provision was inserted in the law in October 1941, prior to our entry into the war. War conditions are such that it is necessary to remove this restriction in order that there may be no interference with proper requisitioning of essential equipment where it is needed in connection with our Nation's war efforts.

Title VII amends the Hatch Act so as to exclude from its operation certain part-time officers and part-time employees of the Federal Government serv-

ing in the existing war effort with nominal compensation or without compensation. The exemption does not apply to so-called dollar-a-year men. Employees in the Selective Service System are retained within the provision of the Hatch Act in order that the men doing this very important work may be placed above any possible criticism that action by draft boards may be influenced by political considerations. The title also retains within the provisions of the Hatch Act all employees of the Federal Government serving in any capacity relating to the procurement or manufacture of war materials.

Title VIII extends the provisions of the Federal employees' compensation system to certain civilian defense workers. Compensation is limited to those persons who have been duly appointed as such by an officer or agent of the United States acting under lawful authority. Where such person's services are rendered on a voluntary basis for compensation amounting to less than \$100 per month, he is regarded as receiving compensation for services at the rate of \$100 per month for purposes of computing the amount of compensation for death or disability. The title provides that no compensation shall be paid for injury or death where the case comes within the purview of any workmen's compensation law or any State or Territory, or possession, or in which the claimant has received or is receiving similar benefits for injury or death. It is further provided that the Commission may establish new and utilize existing regional offices and personnel and facilities, and the facilities of other governmental agencies for carrying out the provisions of the title.

Mr. Chairman, title VIII is contained in the present draft bill now before the membership, but upon reconsideration of this title the Judiciary Committee has concluded to offer an amendment eliminating it.

Mr. BEITER. Will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from New York.

Mr. BEITER. It is my understanding that title VIII was to provide employees' compensation for persons working as fire wardens and for persons engaged in the Office of Civilian Defense.

Mr. McLAUGHLIN. The gentleman is correct.

Mr. BEITER. I noticed in the colloquy that occurred between the gentleman from New York [Mr. HANCOCK] and Mr. Biddle that the question was asked whether or not a voluntary fireman would be protected in the event he was called upon to fight fires in some of the defense plants. Mr. Biddle replied:

Yes, they may be, but that is an administrative order.

I have taken that matter up with some of the legislative representatives of the Voluntary Firemen's Association of the State of New York and I find that is not the case, that they will not be protected under title VIII. I have a bill pending before the Judiciary Committee that will take care of that. I am wondering whether any provision or any thought has



been given by members of the committee to protecting volunteer firemen who are called upon to fight fires at these various defense plants that may be located outside the city limits of our cities throughout the Nation.

Mr. McLAUGHLIN. The title under consideration, title VIII, is an amendment to the Federal Workmen's Compensation Act, and it has the effect of enlarging the definition of the word "employee." The title would cause to be included within the definition of "employee" persons in the protective services engaged in the civilian defense who had been duly appointed as such by an officer or agent of the United States acting under lawful authority. If the volunteer firemen were so appointed, and this title were enacted into law, they would be covered into the act.

Mr. BEITER. Volunteer firemen are not appointed in that fashion. They are not appointed by the Federal Government. They are appointed by the mayors or supervisors of the towns in which the fire department is located.

Mr. McLAUGHLIN. If that is true, and of course it is, then the volunteer firemen would not be included in title VIII if title VIII were continued in the act; but let me call attention to the fact, as I have indicated, that the Judiciary Committee intends to present a committee amendment to strike out title VIII.

Title IX empowers the President to direct the Administrator of the Federal Security Agency to assign the manpower of the Civilian Conservation Corps to the extent necessary to protect war industries, municipal water supply, power, and other utilities, and other resources subject to hazards of forest fires.

Title X provides that our armed forces shall be given free postage for first-class mails sent to any person in the United States or our Territories or possessions. It includes the entire naval and military personnel, nurses as well as soldiers, sailors, and marines, and officers as well as enlisted men and draftees. It applies to members of our armed forces serving at home as well as to those serving abroad.

Those of us who served abroad in the last war recall that when we got overseas we could mail our letters free of charge, but that we had not been accorded that privilege while we were serving in the United States. This title, if enacted, will grant the free postage privilege both in this country and abroad.

Title XI provides for the naturalization of aliens honorably serving in the armed forces of the United States during the present war. It is somewhat similar to the policy adopted by Congress in the first World War. Under the bill qualifications of age, length of residence, and education may be waived and the ordinary procedure of requiring naturalization by a court is supplemented by a provision for the naturalization of aliens through cooperation with representatives of the Immigration and Naturalization Service in areas not within the jurisdiction of any naturalization court where, by affidavit, it can be established by at least two credible witnesses that the

petitioner is a person of good moral character and attached to the principles of the Constitution of the United States and disposed to the good order and happiness of the United States.

A committee amendment is being proposed that the bill shall be made applicable only to those persons who are residents of the United States, or its Territories or possessions, at the time of their enlistment or induction into the military or naval forces of the United States.

Provisions of the title permit aliens to seek citizenship within 1 year after the termination of the second war powers bill. The purpose of the bill is to bring naturalization proceedings to the individual who is serving in the military or naval forces of the United States, and who is qualified to take advantage of the act. It waives the requirement of appearance before a court, and permits the naturalization proceedings to be conducted by a representative of the Immigration and Naturalization Service in areas not within the jurisdiction of any naturalization court, and provides for the forwarding to and filing by the clerk of the naturalization court of the record of naturalization proceedings conducted outside of court.

Title XII authorizes the Secretary of the Treasury to accept, on behalf of the United States, gifts of money, property, or services made on condition that they be used for a particular war purpose. The existing law prohibits the Treasurer from accepting qualified or conditional gifts and applying them to the specific purpose for which they are given. The passage of this title will permit money, received by the Secretary of the Treasury as a qualified gift, to be placed in the miscellaneous account of the Treasury to await appropriation by Congress and to be dealt with in such a way as to most nearly effectuate the intent of the donors in each case. It will permit the use of the money or property by the Government with a minimum of administrative difficulty through the regular accounting and disbursement procedures of the Treasury Department.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from New York.

Mr. WADSWORTH. Did the Committee on the Judiciary reach the conclusion that that particular title is necessary?

Mr. McLAUGHLIN. It did.

Mr. WADSWORTH. I am not opposing it at all, but I was furnished some time ago with a public release from one of the departments of the Government in which the method of offering gifts was outlined as well as the method by which they would be received, and how the money would be used.

Mr. McLAUGHLIN. I may say to the distinguished gentleman from New York that there is nothing in the law at the present time that prohibits anyone from making an unqualified gift to the United States. However, qualified or conditional gifts are not permissible under existing law. This title meets the situation in which people attempt to make qualified gifts. I may illustrate by saying that the

citizens of Arizona, after the Pearl Harbor incident, raised money and desired to give it to the United States Government to purchase a plane to avenge the destruction of the battleship *Arizona*. It could not be accepted because under existing law qualified gifts cannot be accepted. This provision would permit a qualified gift to be accepted and applied to the purpose which will best effectuate the purpose of the donor.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from New York.

Mr. HANCOCK. Instances were pointed out to us where communities wished to give automobiles, ambulances, and airplanes, but were unable to do so under the present law.

Mr. McLAUGHLIN. I thank the distinguished gentleman from New York. That is correct. Many instances appear in the hearing record of attempts to make contributions to the United States Government which were not permissible under existing law, and this will permit them to be made.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield the gentleman such further time as he may desire.

Mr. McLAUGHLIN. Title XIII changes the existing composition of the 5-cent piece and makes it one-half copper and one-half silver. It provides for a certain amount of tolerance for an additional alloy so that the coin may be available for use in food-vending machines and machines in which the coin could not be used if it were required to be composed entirely of copper and silver in equal proportions. The purpose of the title is to permit the release of the nickel which is now used in the coinage of the 5-cent piece. It will likewise release an equal amount of copper. The present 5-cent piece is composed three-fourths of copper and one-fourth of nickel. In changing the content to one-half copper and one-half silver, one-fourth of the copper and all of the nickel used in the coinage of the 5-cent piece will be released. On this basis it is estimated for the fiscal year 1941 there would be a saving of 870,000 pounds of nickel and the same amount of copper. Nickel is indispensable in armor plate for tanks and battleships, machinery bearings, bomb racks, and condenser tubes of boilers and naval vessels. The amount of nickel saved in 1 year would be sufficient for the production of 16,000 tons of armor plate and enough for 1,000 heavy tanks.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Michigan.

Mr. WOLCOTT. What will be the actual value of the nickel when this new formula is in effect?

Mr. McLAUGHLIN. I would be glad to supply it. It is in the record. Of course, it will be greatly in excess of the present actual intrinsic value.

Mr. HANCOCK. Something over 4 cents, as I recall; four and a fraction cents.



Mr. WOLCOTT. I have been informed that it will be something over 4 cents.

Mr. McLAUGHLIN. That is correct, it will be something over 4 cents.

Mr. WOLCOTT. Does not the gentleman think that will induce the hoarding of nickel to the point where perhaps we shall have to coin enough more nickel to offset the savings?

Mr. McLAUGHLIN. Representatives of the Treasury Department appeared before the committee and inquiry along that line was made. Statements were furnished, written statements as well as oral, on the effect of the operation of this law, if it becomes a law. The Treasury Department is not of the opinion that that fear is well founded, I may say to the gentleman.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Is it not true that the Treasury is purchasing a rather large amount of silver, and is it intended to use that silver in connection with the coinage of these nickels?

Mr. McLAUGHLIN. Of course, a large amount of silver will be used.

Mr. CHENOWETH. Does the gentleman think this is a salutary provision, to use some of this silver?

Mr. McLAUGHLIN. Yes; I do. I think that is another consideration that can well be taken into account as an argument in favor of this title.

Title XIV extends the act of 1926 so as to confer on the Government the right to inspect the plant and audit the books and records of war contractors and subcontractors. The present act applies only to aircraft manufacturers.

The purpose of the act is to enable the Government to determine costs so as to fix a basis for a cost-plus-fixed-fee contract. The same power of inspection and audit and subpoena are permitted in this title as are permitted in title III of the act, having to do with the fixing of penalties for the violation of the priorities law.

Title XV is a new title added to the bill by the Judiciary Committee of the House. Its inclusion was requested by Mr. Jesse Jones, Secretary of Commerce, who pointed out that the authority is especially needed by the Department of Commerce in order to collect information in connection with war efforts without delay, and to make this and other information now obtained by the Department of Commerce under the seal of confidence available to other war agencies. The new provision will permit special investigations and reports of census or statistical material which may be needed in connection with the conduct of the war.

Title XVI of the bill provides that it shall terminate with the exception of titles XI, XIII, and XIV on December 31, 1944, or at such earlier date as Congress may determine by concurrent resolution or which the President may designate.

Mr. Chairman, I have attempted in this statement to outline the provisions of the bill title by title. As I said at the

outset and now repeat, I do not believe this bill is the controversial measure which some Members fear it may be. There are some differences of opinion among Members as to certain provisions of certain titles of the bill. On the whole, I think the bill will be found to be an acceptable and a useful one.

We are at war. It is necessary, as we all recognize, that some of the rights and privileges which the individual may possess in peacetime must be subordinated to the Nation's program in time of war. Our personal way of life may be affected; our whole scheme of living, perhaps, will encounter many changes during the course of this war. We, as patriotic Americans, are willing to give up those things upon which we have felt we had a right to insist in order that our war efforts may be successful. The Judiciary Committee has reported a bill in which the processes of our form of government are adhered to. I submit that the bill in its present form carries out the intention which it is designed to carry out. I trust it will be passed.

Mr. SUMNERS of Texas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill, S. 2208, had come to no resolution thereon.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'HARA, for 1 week beginning February 25, 1942, on account of official business.

To Mr. ANDERSON of New Mexico, for 1 week, on account of official business.

#### EXTENSION OF REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent, on behalf of my colleague, the gentleman from Michigan [Mr. HOFFMAN], that he may be given permission to extend his remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### PRESIDENT ACCEPTS REPUBLICAN ECONOMY SUGGESTION

Mr. HOFFMAN. Mr. Speaker, in answer to the charge sometimes heard from the majority side that Republicans do not offer constructive suggestions, permit me to call your attention to the CONGRESSIONAL RECORD of January 28, page A316, where the gentleman from Ohio, Mr. ROBERT F. JONES, pleaded, as he has so often before, for efficiency and economy. He inserted in the RECORD a statement showing the waste and extravagance connected with defense housing in the city of Washington.

The gentleman from Ohio [Mr. JONES] there called attention to the inefficiency and the economic waste connected with the handling of housing problems by the

Federal Government. Among other things, he said:

There are 12 or 13 agencies of the Government handling housing. Assuming that each one of these agencies goes to a separate Budget examiner, or at least some of them do, I would like to suggest that nobody has a complete, over-all picture of where the money already available from Federal agencies is being spent, and whether it is being spent wisely and in the most needed spots.

He concluded his remarks with these observations:

Think of it again when I summarize: Congress appropriated directly over a billion dollars. Another billion dollars are available from funds gained in the Insull type of corporate manipulation, and the Federal Housing Administration obligates the Government for another billion dollars' worth of defense housing. Finally, 13 Federal agencies handle housing apparently independently without an over-all examiner in the Bureau of the Budget.

We learn from the press this morning that at last the administration itself has yielded to the public demand for economy and efficiency, which has been so ably, on so many occasions, called to the attention of this House by the gentleman from Ohio [Mr. JONES]. The President, the press tells us, has ordered the consolidation of 16 of the Federal housing agencies.

If this administration had on occasion accepted some of the constructive suggestions made by the gentleman from Ohio [Mr. JONES], not only would others be encouraged to continue our good efforts, but the administration would save the taxpayers of the country millions of dollars and bring about some of the things which are necessary.

#### EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. McGEHEE] is recognized for 15 minutes.

Mr. McGEHEE. Mr. Speaker, we have been taught since our elementary-school training that eternal vigilance is forever the price of freedom. I noted in one of the daily periodicals recently a slogan adopted by some religious organization, "Wake Up, America, Wake Up." This organization evidently is sensing the attitude of the general public of our great country as one of lethargy and apathy. In fact, in my humble opinion, this is true. If so, there certainly are contributing causes for the existence of this situation. It is my purpose today to call the attention of the Congress to some of these contributing factors as I see it, and I believe a great majority of our people will agree with me that at least some of them are the controlling elements that are causing this general situation among our people.

As I see it, there is becoming a general fear as to what is to happen in the near future, yet a lingering in the minds of



our general populace that in the ultimate end all will be well. Mr. Speaker, it is time now for us to gird ourselves at the earliest possible moment for the affray with the wholehearted cooperation of all to make an end to the world catastrophe that is facing us, and not await a time in the distant future when the successful termination of it by reason of delay would leave our people in such a state of being that they might likely be receptive to any "ism" that is un-Americanism.

Singapore has fallen; Hong Kong has fallen; practically every Far Eastern base has fallen; and it may be the next flash will be the sad news that General MacArthur and his little force have surrendered. The German Fleet sailed through the Straits of Dover practically unharmed—a major victory for the Axis and its allies. The debacle of Pearl Harbor is history. Immediately after its consummation there was a more unitization of the minds of the people of this country than has existed in the past 10 years, because this country has been ruled by an organized minority rather than an unorganized majority, the unorganized majority accepting the decrees of the organized minority in an apathetic way, feeling that the future would bring forth a change. All of this was forgotten immediately after December 7, but the public is beginning to fall back into that state, and to reassure it and to gird ourselves for the conflict there must be a more firm and serious stand taken by our leadership and administration; otherwise that disturbing and demoralizing condition which prevailed in France before and after the outbreak of the present war will prevail here. Visionary radicals were in control of the French Government. In this country there are too many socialistic, theoretical, and inexperienced persons in major and key positions controlling the destiny of this Nation, their ideas and past life being trained in socialistic reforms; and when men with a practical and successful background are placed in a position to aid us in this national emergency and crisis, they are thwarted and circumscribed by the powers of the inexperienced to the extent they are not able to carry on.

The morale of the people of this country must be built up to the extent the Nation as a whole must be ready to sacrifice all, even unto life, for its preservation. This cannot be done until there is a complete reversal in the manner we have started out to do things and the method in which they are to be done. To secure the confidence of all the people and a determination on their part to make that every sacrifice which as American citizens they will be compelled to before we win this war and preserve our freedom many things must be done.

First. In the primary organization and the present set-up in the Office of Civilian Defense, there should be a complete overhauling and an entire change in the manner in which it should be handled; that is, there should certainly not be any fan dancers for the amusement of children nor any high-falooting actors who are "pinkish" from head to foot, or salaried people handling

same in any capacity. There are enough patriotic people with practical experience who will gladly take charge of any phase of this organization without remuneration. It should be headed by an outstanding retired military officer. The public's reaction to what has been done so far in the organization of this necessary set-up for our national defense has been most demoralizing. Their reaction, as I gleam it, is this is an hour of peril and not one of entertainment, one of pleasure, or one of joy; not an hour when "pinkish" influences should be infiltrated into the hearts and minds of the youth and people of this country. It is an hour when they need the leadership of a man of wide experience and especially in defensive measures and one who can instill into them patriotic motives and a reincarnation of that love of freedom and liberty that was inculcated in them by the deeds of our forefathers.

Second. There is an entire lack of faith and confidence in the National Labor Relations Board and many of the judges of our courts in decisions recently rendered, and the racketeering leadership of certain labor leaders as Sidney Hillman, John L. Lewis, Philip Murray, and others. The laboring man, who by toil and sweat, earns his livelihood and food and substance for the little family and whom I want to praise as a class of our most loyal and patriotic citizenship, are mere pawns in the cat's paw of those who would have them believe they are working for their interest, and when it is only one of selfishness.

Strikes almost every day are being called, but I am sure that 98 percent of those men who are working and are compelled to strike are satisfied in every respect, for the reason they realize that the ultimate outcome of this war will depend on their efforts, because they are the men that are toiling day in and day out to produce materials which will make possible the salvation of their wives and babes and their future prosperity, liberty, and freedom.

Third. There is being advocated, talked, and taught and forced, in some instances in the guise of liberalism, social equality between the Negro race and the white race, which is just as impossible as the mixing of milk and ink. This is being done to the extent that Negroes are placed with the white daughters and sons on an equal basis in the offices, cafeterias, and in other governmental agencies throughout the country.

The Negroes are beginning to believe that this administration is fostering social equality, and there is certainly some basis for them to think so, to the extent they are forming organizations to enforce the same. This was reported by a New York paper a few weeks ago, in which its headlines said "War will aid Southern Negroes right wrongs imposed by whites." "Colored leaders propose to strike for franchisement and other liberties, even though it means disorder, bloodshed, and suffering for a generation."

Visualize if you please, the morale of the white race of this country, because

they are aware of the trouble, the strife and suffering that will be caused in the ranks of both when this war is over; shaking the confidence of both races at this time with a worry in the minds of each as to what the future will bring, when there should be a unity of purpose of both races to preserve the liberties that all now enjoy.

Fourth. There are many men and women in key positions in our defense program and in the services of our Government, holding key positions in our defense plants, that should be removed and a close watch placed over them.

The general public is aware of this and this, too, is lessening the morale, because they are wondering when it is all over, will they take charge of our Government under some form of "ism," which is not Americanism. There is no question in the minds of the public but that this thought and determination is in their minds at present; many of these persons' names have been disclosed on this floor and there are literally hundreds that have not been.

Fifth. The Congress passed an act establishing price control and legislation for the proper functioning of this new agency, yet, long prior to its passage there was appointed a man as administrator, and as I understand, he has been reappointed to this important position; many of his rulings and especially his antics, have caused a general distrust in the minds of the public as to his proper fitness and background for the handling of this office, which will affect the lives and actions of every individual.

On the front pages of papers throughout the country, there appeared pictures of this man as a bicycle rider, blond toter, cheroot smoker, and 1917 model T Ford fender straightener, the public's reaction being that if he had the ability to administer this act, certainly, he would have been possessed with a dignity that would have foregone any such maneuvers.

This is a trying hour and the morale of the people, as I stated, must be built up rather than torn down and I am making the prediction that public confidence will never be restored and a proper enforcement of price control, until there is a change of personnel and a man of practical experience and with a background of universal approval placed in this office.

Sixth, there is a lack of confidence of the people because of the withholding of facts. The debacle at Pearl Harbor and the regrettable losses by reason thereof, the public has never been informed of except in general terms. Kimmel and Short had thrown in their laps the entire blame for it. There is no question in the minds of the people but that Kimmel and Short were derelict in their duty, but there is that question mark that pervades the thoughts of every person that there were other persons higher up that were particeps criminis in this dereliction of duty. The entire facts and entire losses should be revealed to the people and when so done, their reaction will be one of more determination to gird themselves for a greater fight.



Drew Pearson and Robert Allen in their column last December said:

We feel that this war can not be won without knowing what we face. We believe the American people will respond all the greater if there is no punch-pulling or political covering of the grave defeat at Pearl Harbor.

In their column of February 16, they called attention to the fact that the happenings at Pearl Harbor on December 7—

caused an absolute unified nation, but that today that unity is slowly evaporating for the reason, first, too great a feeling of optimism was radiated from higher places immediately after and since. Second, because the public, not even today, has been given any real idea of how devastating were the losses at Pearl Harbor.

Seventh. The people have been for some time, and are now, expecting a more individual thought and action by the membership of the two branches of the Congress. Congress has been doing the dancing all along and practically none of the fiddling. It has been taking orders from economists and theorists. One never heard of an economist making a correct analyzation or prediction or a theoretical problem which proved practical.

Admiral Harry E. Yarnell, when commander in chief of the United States Asiatic Fleet, in January 1939 wrote Rear Admiral Snyder, president of the United States Naval War College at Newport, R. I., and copies of his letter were sent to naval operations, the commander in chief of the United States Fleet and the chairman of the General Board of the Navy, outlining the preparations and precautions this country should take in the Far East, and in his admonition to them he said, "The former theories of economists are open to question." Admiral Yarnell recognized the futility of following the economists of our war college in their recommendation as to our future and preparedness protection program in the Far East.

Eighth. Provisions in the amended Retirement Act permitting elective officers, including Members of the House and Senate, to qualify for retirement benefits, has been a factor in creating this lack of confidence in the administration of things. The House voted this afternoon to repeal this measure, removing to a certain extent this troublesome matter.

I might add that I think a mountain was made out of a molehill by the public and the press, because, as I see it, there would not be over 10 or 15 percent of the Members of the two branches qualify, because of the enormous expenditures in doing so. But, this is no time for the passage of such legislation. As we all remember, the House by an overwhelming vote killed a similar amendment to the Retirement Act a year or so ago.

Ninth. Permit me to just call attention to a few things that are further causing distrust among the people, without going into detail because each and every act is familiar to us.

(a) The destruction of the *Normandie* was a tragedy of negligence and incompetency as gross as Pearl Harbor.

(b) The turning loose of Harry Bridges after this House passed a bill to deport him; his case being then referred to the courts and the courts ordered him deported and yet, he is still carrying on his nefarious work through the manipulation of governmental agencies.

(c) The appointment of Harold Loeb as senior business specialist under Leon Henderson and authority to ration all goods sold at retail.

(d) Malcolm Cowley appointed in a key position in the Office of Facts and Figures—supposed to be a poet, but a political comrade of William Foster and James W. Ford, both Communists.

(e) The manner in which the National Labor Relations Board agents are going about the country advising manufacturers about the hours to be observed.

The people of this country are willing to put up with the anomalous Daylight Saving Time Act passed by the Congress, they are willing to adhere to rationing control of food and raiment, they are willing to tighten their belts and eat less, they are willing to make every sacrifice possible for any human to make, so as to preserve and make safe for their children the liberty and freedom we have enjoyed during the history of our Nation; but let us give them men and women to administer the different jobs and positions that are necessary to carry out this program that they have confidence in and men and women whose thoughts are not painted pink.

I again say as the slogan of the religious organization says "Wake up House of Representatives, wake up United States Senate, wake up our entire administration, wake up America, wake up."

#### THE WAR POWERS BILL

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore (Mr. COCHRAN). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I simply wish to give notice of an amendment which I shall offer in two places in the pending bill, S. 2208, one relating to the condemnation of real estate and the other to the requisitioning of personal property. The amendment reads as follows:

The amount paid for any property so taken shall include fair compensation for losses proximately caused by the taking, in addition to the amount which would otherwise have been payable.

It seems to me this is fair and right and should be adopted. I invite the attention of the House to this amendment, and I shall ask the concurrence of as many of you as may find yourselves in accord with its manifest purpose.

(Mr. HOBBS asked and was given permission to revise and extend his remarks.)

#### BILLS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on Monday, February 23, 1942, present to the President, for his approval, bills of the House of the following titles:

H. R. 268. An act for the relief of James Wood;

H. R. 793. An act for the relief of the estate of Charles D. Talbert, deceased;

H. R. 2183. An act for the relief of Hiram O. Lester, Grace D. Lester, and Florence E. Dawson;

H. R. 2712. An act for the relief of the Branchland Pipe & Supply Co.;

H. R. 2780. An act for the relief of O. C. Ousley;

H. R. 3141. An act for the relief of Fred Farner and Doris M. Schroeder;

H. R. 4537. An act for the relief of H. D. Bateman, Henry G. Conner, Jr., executor of the last will and testament of P. L. Woodard, and J. M. Creech; and

H. R. 4622. An act for the relief of Catharine Schultze.

#### ADJOURNMENT

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 25, 1942, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Wednesday, February 25, 1942)

There will be a meeting of the Subcommittee on Petroleum of the Committee on Interstate and Foreign Commerce, at 10 a. m., Wednesday, February 25, 1942.

Business to be considered: To resume hearings on petroleum as outlined in Mr. COLE's memorandum of February 6, 1942.

##### COMMITTEE ON INDIAN AFFAIRS

(Wednesday, February 25, 1942)

There will be a meeting of the Committee on Indian Affairs on Wednesday, February 25, 1942, at 10:30 a. m., for the continuation of hearings on S. 1476 (Florida tick bill).

##### COMMITTEE ON INVALID PENSIONS

(Wednesday, February 25, 1942)

There will be a meeting of the Committee on Invalid Pensions at 10:30 a. m., Wednesday, February 25, 1942, in room 247, House Office Building, for the purpose of considering private bills.

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Thursday, February 26, 1942)

##### POSTPONEMENT OF HEARING ON H. R. 6503

This will advise you that the hearings previously scheduled for Tuesday, February 17, 1942, at 10 a. m., have been postponed until Thursday, February 26, 1942, at 10 a. m., on the following bill, H. R. 6503, to extend and amend certain emergency laws relating to the merchant marine, and for other purposes.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1432. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 3, 1942, submitting an interim report, together with accompanying papers and an illustration, on an investigation of the San Diego River, Calif., authorized by an act of Congress approved on May 6, 1936, and the Flood Control Act approved on June 22, 1936 (H. Doc. No. 635); to the Committee on Flood Control and ordered to be printed, with an illustration.







Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Along the same line of thought as the gentleman from North Carolina has just been speaking, permit me to speak. Last week the majority leader made a very true statement. He said that this was not a Democratic war or a Republican war. Get this from a Detroit paper:

The executive board of the Michigan Congress of Industrial Organizations council has demanded that organized labor be represented fully in all civilian defense councils.

Just why should labor come into this? If Republicans and Democrats, and other organizations of all kinds are out, why should labor take part in this as an organization, why not as individuals, as all others of our 131,000,000 people are required and are willing to do?

Note this, too. At Flint on Sunday Walter Reuther, the same man who, when in Russia, wrote Fight for a Soviet America, demanded that the C. I. O. be given guns. In the sit-down strikes the C. I. O. had the help of the armed forces of the State. Why should they be given guns now? Are the Reds getting ready to take over when this war has ended?

#### EXTENSION OF REMARKS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. HARRIS of Virginia asked and was given permission to extend his own remarks in the RECORD.)

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech by the Governor of Kentucky.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[The matter referred to appears in the Appendix.]

#### SECOND WAR POWERS BILL, 1942

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2208) to further expedite the prosecution of the war.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. GUYER. Mr. Chairman, I want to emphasize the suggestion already made that members of other committees, the Banking and Currency Committee and the Committee on Military Affairs, to whom parts of this bill might correctly have been referred, to engage in the debate and when the bill is read that they offer, if they deem it necessary, amendments for its improvement. As has been already declared, the Committee on the Judiciary had nothing to do with its reference. I am sure all members of our committee agree with our distinguished chairman and the able chairman of the subcommittee [Mr. McLAUGHLIN] who worked so devotedly on the hearings and on the preparation of this important bill.

At the time of the framing of the Constitution there were those who wanted a stronger, more energetic government than the one finally agreed upon. But it soon became evident that if a stronger government, a government granting greater power to the Executive, was submitted to the people for ratification, it would surely be rejected. The people of the Colonies had just fought a long and gruelling war against a government whose king had grossly abused his power, and the people were intensely jealous of anything that seemed like arbitrary power in the Executive, so they were determined that their own government should not be tainted with anything that would or might produce an opportunity for some arbitrary master to impose upon them the wrongs from which they had just been liberated. So our form of government is as it was written, with surprisingly few amendments. No government is any stronger than it is in a crisis. For that reason every time some seemingly supreme crisis catches up with us we find it necessary to give wide powers to the President in order to supply that power which was lacking in the letter of the Constitution.

So we are submitting this bill granting great and wide powers to the President in order that he may prosecute with utmost vigor the war in which we are now engaged. The people through their Congress have decreed this war and the time for argument concerning how we got into it is over—it is now history, and every patriotic man in this Congress and out of it must back up the President. I never voted for him, but when elected he is my President and I am behind his every effort to victoriously terminate the war. When it is over we can resort to the good old game of American politics, but this is not the time for that.

I want to compliment our distinguished and patriotic gentleman from Massachusetts, Hon. JOSEPH W. MARTIN, Jr., our Republican leader who at Kansas City last week declared:

Let men and women of every party, of every section of the country, of every phase of our national life join in one great push for victory. With such an effort, we will not fail.

That I am sure is, and should be, the attitude of every Republican on this floor. As my distinguished colleague from Michigan [Mr. MICHENER] said yesterday:

But today we find ourselves in the war. It does not make any difference how we got in, it does not make any difference whose war it was or is, it is our war now. It is our fight.

We must yield to the administration any power necessary to win.

I am certain too, that the gentleman from Michigan [Mr. MICHENER] has voiced the sentiment of every Republican in the House.

In the past 9 years I have at times charged this House with abdicating its powers and delegating them to men and agencies who never received a vote from the people, powers that only the House was authorized to exercise in time of peace. But as stated by our distinguished colleague from Michigan, this is in time of war, our war, and we should confer upon our President all needed power to prosecute the war as Congress did in the case of President Lincoln and President Woodrow Wilson. These great leaders never abused those powers and surrendered them with the termination of hostilities. This is no time to split hairs about technicalities and trifles.

Mr. Chairman, I yield myself 1 additional minute.

This is the position I think everybody who is patriotic in this country takes, to grant to the President such powers as are necessary to prosecute the war, and if we do this and get behind this, there is no question about eventual victory.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GUYER. Yes.

Mr. CRAWFORD. Mr. Chairman, I wish to ask the gentleman a question with reference to the language at the top of page 2 of the bill, lines 3 to 7, speaking of the Interstate Commerce Commission. As I understand that language, it does not give the Commission any authority to regulate the sizes or weights of motor vehicles contrary to State legislation. Is that correct?

Mr. GUYER. I think the gentleman is right. I did not pay a great deal of personal attention to that but I listened to the remarks of the gentleman from Nebraska [Mr. McLAUGHLIN] yesterday in regard to it.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I expect to confine what few remarks I make on this bill to title IV. Title IV, you will notice, seeks to give to the Federal Reserve the power and authority to buy Government bonds directly from the Treasury. This might appear to the casual reader to be quite innocuous, but I wish that we would give very close attention to the remarks which will be made on this title, because it seems to me to be fully as important as anything in the bill.

I grant you that we must give to the Chief Executive new and, perhaps, unusual powers to prosecute the war, but it is as essential that we maintain a stable currency and a stable credit during the war as it is that we be victorious in the field. It would not profit us very much to bring this war to a victorious conclusion only to have to go through the experiences which Germany and France went through in respect of their currencies.

It is highly desirable to keep the Federal debt and the currency as far apart



as possible if we are going to have a stable currency. There have been tendencies throughout the past few years to bring the debt and our currency into close affiliation. This title IV weds the debt to our currency. It weds our currency to the debt. So as the debt increases, as it is bound to increase, in proportion we depreciate the value of our currency.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VOORHIS of California. Would not the gentleman agree that the sale of bonds to any bank which makes the purchases on book credits is wedding the currency to the public debt, whether it be the Federal Reserve banks or any other banks?

Mr. WOLCOTT. No; I am sorry I cannot agree with the gentleman in that respect.

Mr. VOORHIS of California. I wish the gentleman would speak on that.

Mr. WOLCOTT. I believe I will later on.

You will remember that the Federal Reserve is a bank of issue and that the law now is that direct obligations of the Federal Government may be used as collateral or as security for the issuance of Federal Reserve notes. That is why I say that if we grant this authority to the Federal Reserve to buy obligations direct from the Treasury that we wed our currency to our debt, and that our currency depreciates in value as our debt increases.

Mr. CELLER. Mr. Chairman, will the gentleman yield at that point?

Mr. WOLCOTT. I prefer to go ahead. It has been suggested, and I think there is much truth to the statement, that at the end of the fiscal year 1943, which will be July 1, 1943, the national debt will approximate \$150,000,000,000. I know that in high places there is too little concern for the fact that the national debt might perhaps go to \$200,000,000,000. I believe that the Federal Reserve and the Treasury are looking much further into the future than perhaps they want us to look. I believe that they look forward to the time when because of high taxes, when because of an intense war effort, the people will be no longer in a position to buy Government obligations, and they seek to stabilize the currency by issuing paper with which to buy these bonds, and make it appear that the Federal credit is all right. Mr. Chairman, we can meet that issue when we come to it. We do not need to throw the banks and industry and agriculture into chaos at a time when there should be stability.

Inflation is about 80 percent psychological. Whether we have inflation or not as a result of currency expansion depends largely on the attitude of the people, how closely they affiliate the volume of currency with prices. It has been said that nobody understands money, which is a falsity. The careful student understands money. Money is a simple thing, but what the economists mean and what the bankers mean and what everybody else means when they say that nobody understands money is that very few people understand the relationship between money and prices. There is no formula that you can lay down; you cannot say

that a volume of currency, we will say, of \$10,000,000,000 will make the price of beans or oats a certain amount. There is no definite, well-established formula that we can use. About 80 percent of it, I say, is psychological, the fear which the people have of a cheapened currency, due to an expansion of the currency, and that is what we must guard against at this particular time more than at any other time.

As far as I am able to determine, there is not a sound economist in the United States who favors title IV of this bill. Most of them have denounced it as inflationary, and I have a sheaf of telegrams from men whom I consider the outstanding economists, the sound economists in the United States.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GUYER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. If the gentleman will permit me to go on for just a moment, I shall be glad to yield.

Mr. SUMNERS of Texas. My question will not interrupt the gentleman's argument. It is only to determine when the gentleman will yield.

Mr. WOLCOTT. I intended to make a general statement, and then I will yield. There is an organization called the Economist National Committee. It is made up of the professors of economics of outstanding universities, men like Oliver M. W. Sprague, of Harvard University; like Edward W. Kemmerer, of Princeton University; Walter E. Spahr, of New York University; and many others of prominent standing. The purpose of this committee is to pass on to Congress and the people the benefit of their research work in respect to our economic conditions, and they denounced title IV vehemently as an inflationary movement. I shall read you now a telegram from Professor Kemmerer, of Princeton University, addressed to me:

I strongly oppose authorizing Federal Reserve bank to purchase Government securities directly from the Treasury, as provided in title IV of the war powers bill of 1942. This bill, if enacted, is almost certain to prove highly inflationary in its results. Our paper currency is no longer convertible into gold on demand. Federal Reserve notes will be secured increasingly by Government bonds and Government bonds are payable principal and interest in Federal Reserve notes. This is essentially the character of German inflation of World War No. 1 period. Treasury will dominate Federal Reserve Board, and proposed amendment would make much easier dangerous inflationary exploitation of the Nation's currency for fiscal purposes and would increase likelihood of there being saddled on Federal Reserve banks permanently enormous holdings of Government securities, which would greatly impair the banks' usefulness.

E. W. KEMMERER.

All of these telegrams say about the same thing.

An outstanding former president of the American Bankers Association, Mr. Orval Adams, speaking in Oakland, Calif., on February 16, says:

In my opinion, no more dangerously inflationary proposal could have been made, no greater threat to the savings and earning power of the people have been offered.

I will say parenthetically he is referring to title IV.

The proposal—

He continued—

should have been labeled "An act to set up a printing press in the Treasury."

Remember—

Mr. Adams pointed out—

during and after the last war the Governments of Germany and France borrowed directly from central banks; checks and balances were disregarded. This direct operation made possible and was the culminating act in the deficit economy which resulted in the complete destruction of the German mark and a 90-percent depreciation of the French franc.

The French franc, if you will recall, depreciated in value in relation to the dollar from about 25 cents to about 4 cents.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. EATON. Will the gentleman state who it was who made that statement?

Mr. WOLCOTT. This is an excerpt from a speech by Orval Adams, former president of the American Bankers Association. His speech is filled with denunciations of this proposal as inflationary, one of the most dangerous that can be had at this particular time if we are going to maintain a stable currency.

Mr. EATON. Is not the present president of the American Bankers Association in favor of this?

Mr. WOLCOTT. From the colloquy on the floor yesterday, I understand that he is, with reservations.

Mr. EATON. Which are you for, Philip drunk or Philip sober?

Mr. WOLCOTT. Well, I do not rely solely upon Philip when he is drunk or Philip when he is sober. I rely upon what I consider the common sense of very sober-minded people who see a grave danger to our entire economy in this measure.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. If I may go on for just a moment, I will yield later.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SUMNERS of Texas. Mr. Chairman, I will yield the gentleman a couple of minutes if he will answer questions.

Mr. WOLCOTT. I will if the gentleman will allow me to comment for about half a minute.

Mr. SUMNERS of Texas. No; not out of my time.

Mr. WOLCOTT. I think if the gentleman yields me time it is my time, and I do not want to be restricted in the use of it. I do not want the gentleman's time with restrictions.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Chairman, the distinguished minority leader of the Committee on the Judiciary in his opening



remarks expressed my ideas exactly in regard to this piece of legislation. I do not like it in peacetime. I shall vote for it in wartimes, when it comes up, no matter whether it be amended or not. We are at war and we must carry on the war the way that the executive departments, who are, after all, responsible for the conduct of the war, deem necessary.

However, I rise in opposition to the broad manner in which the Federal Reserve Act is proposed to be amended by title IV. I am in sympathy with the purposes but not the method.

National credit, like the good name of a woman, is ever a target for gossip. The best defense from such malicious rumors is propriety of action. The action permitted by the proposed amendment is improper in the eyes of experienced bankers, and may cause unfavorable public comment. Hence, I am generally opposed to the title IV amendment.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield briefly.

Mr. O'CONNOR. Is there any restriction removed from the banks in the purchase of bonds that we are now purchasing, known as Defense bonds?

Mr. DEWEY. I will cover that in my statement. I expect to make a comprehensive statement and I will take that up later, as it interrupts my chain of thought to inject it here.

The proponents of this amendment were not entirely candid, in their desire to obtain the broad powers that are contained therein. They mentioned that those powers are given to the Bank of England. However, they do not mention that that section of the Bank of England, the issue department, is controlled by parliamentary action. The amount of currency that can be issued, the amount of British bank notes that can be issued, is controlled by act of Parliament. There is no such limitation in this amendment. Mr. Eccles in his testimony stated that he felt that his right of issue was practically unlimited; and I think it is. Certainly by paying interest and taking advantage of the full powers in the act, he could go up to probably \$200,000,000,000 of currency issue.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I would like to continue, if you please.

The claims that the amendment would permit the Federal Reserve Board to assist the Treasury Department in periods of emergency, such as existed at the time of the attack on Pearl Harbor, are true, but the Federal Reserve Board has those powers now. There was outstanding an issue of about \$150,000,000 of bills for distribution on Monday following the Pearl Harbor attack. They were taken care of the way they have been taken care of ever since there has been a Federal Reserve Board and Open Market Committee.

Mr. CELLER. Will the gentleman yield?

Mr. DEWEY. Not now. To stabilize the market the Federal Reserve Board may take undistributed securities off the hands of the bond dealers. The commission to the bond dealers is one-thirty-

second of 1 percent, or about 31¼ cents per \$1,000 bond. Ever since the passage of the first Federal Reserve Act way back in 1917 this has been the customary and traditional way of stabilizing the Federal bond market. It is well known and has worked out well. Goodness knows, it must have, for the simple reason that our public debt is advancing toward \$60,000,000,000, and that needs some stabilizing. I, however, think that even if the Federal Reserve Board has to pay 31¼ cents commission on a thousand-dollar bond, it is not an exorbitant price to pay for the service.

At this time we should keep active all agencies to distribute our securities. The Governors of the Federal Reserve Board and the Secretary of the Treasury have said time after time that it is the policy of the financial departments of the Government to distribute the Defense bonds and the other securities to the people and not to the banks. Why break down agencies when we need them most? True, they still demand the average one-thirty-second of 1 percent commission, but, after all, the agencies have to pay rent and pay for their services in carrying out the work. I do not think it is an exorbitant charge.

Mr. Eccles, in his testimony, stated that the competition given by purchases direct from the Treasury instead of through the open market would cause Federal interest rates to be stable and lower. I cannot concur in the statement of Mr. Eccles. Interest rates have always been set, first, by confidence in the obligation; second, by the amount of money there is free for the investment; and, third, by the length of the maturity.

I believe there will be greatest confidence, greatest stability if it is known that the Federal Reserve bank will be always ready to get behind the market when there is an emergency and stabilize it. In case of an emergency, I believe that at a word from the Secretary of the Treasury every bank, every trust company, every insurance company would come to the aid of the Treasury and take up any pending issue of securities; and then the Federal Reserve bank would be there to perform the duties which a reserve bank is set up to perform, to stabilize the market; by taking off the hands of the subscribers those securities that cannot be distributed in the ordinary way to the public. No; I think that stability and confidence is the best way to keep interest rates low. May I say in passing that the people of this country are justified in having confidence in their currency and in the security of their Government obligations; and it is our duty to see that that confidence is always justified.

Mr. WHITE. I wonder if the gentleman would yield at that point.

Mr. DEWEY. No; I do not yield.

In the discussion in the other House it was brought out that this authority given to the Federal Reserve Board was permissive, not mandatory. I can only say that the high authorities which made that statement must have been a little forgetful of the act, for the reason that the powers to buy these securities rest in the open-market committee, and

the open-market committee consists of the seven members of the Federal Reserve Board and five presidents of Federal Reserve banks.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Illinois.

Mr. DEWEY. Section 10, paragraph 6, of the Federal Reserve Act, reads as follows:

Nothing in this act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department; and whenever and wherever any powers vested by this act in the Board of Governors of the Federal Reserve System or the Federal Reserve agent appear to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

This power therefore as given is mandatory upon the Federal Reserve Board, the majority of the Open Market Committee, should the Secretary of the Treasury demand it.

In closing I would like to mention one thing that has been traditional in the Treasury Department and customary with almost all central banks of issue: The Treasury Department should again have the right to finance itself around tax-payment dates. As I said in my opening statement I am in sympathy with the purpose of this amendment but not the method proposed. Prior to 1935 it had been the custom of the Treasury Department to sell to the Federal Reserve banks certificates of indebtedness with a maturity of a week, 2 weeks, 3 weeks, and sometimes but 1 or 2 days, to finance itself around tax-payment dates when there was a lag between payments by the taxpayers to the collectors and the deposit of the money to the Treasury's account in the Federal Reserve banks. It is right and proper that the Treasury should have an opportunity to finance itself around tax-payment dates and it is also right and proper that the Treasury Department should have the right to finance itself during the period of an emergency. I am in favor of that, but I believe this amendment as written goes too far and at the proper time I shall offer a substitute amendment which will take care of the Treasury requirements at the time of an emergency; it will also take care of the Treasury requirements at the time of tax-payment dates and at the same time will not raise suspicion in the minds of our fellow citizens whom we wish to buy Government securities that there are loose banking methods being employed by our high financial leaders.

Mr. MICHENER. Will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Michigan.

Mr. MICHENER. When the gentleman speaks on matters of finance, possibly his remarks carry a little more weight with some of us than many other Members. His background as a banker, as Assistant Secretary of the Treasury,



and as financial adviser to Poland, makes his opinion most valuable. The gentleman has had a vast experience. Can he tell us what the position of the American Bankers Association is in reference to this amendment?

Mr. DEWEY. I read the statement of the president of the American Bankers Association yesterday and I will put the statement in the RECORD. This is from a letter addressed to the Honorable HATTON W. SUMNERS, and is signed by H. W. KOENEKE, president, American Bankers Association. I read only one paragraph, but it is the principal paragraph of the letter:

The American Bankers Association does not oppose this extension of authority to the Federal Reserve System as a war measure.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Nebraska.

Mr. McLAUGHLIN. I know the gentleman is eminently fair. I suggest that the entire letter of the American Bankers Association be inserted in the RECORD at this point.

Mr. DEWEY. I will be very glad to accede to the gentleman's request and put the whole letter in.

Mr. McLAUGHLIN. It appears on pages 45 and 46 of the hearings.

Mr. DEWEY. The letter referred to is as follows:

THE AMERICAN BANKERS ASSOCIATION,  
OFFICE OF THE PRESIDENT,  
Ponca City, Okla., January 29, 1942.  
The Honorable HATTON W. SUMNERS,  
Chairman, Judiciary Committee,  
House of Representatives,  
Washington, D. C.

DEAR MR. SUMNERS: The second war powers bill, which we understand is embodied in H. R. No. 6403 (S. 2208), would permit the Federal Reserve banks to purchase securities which are primary obligations of the United States or fully guaranteed by the United States directly from the Treasury instead of through the open market only, as provided in existing legislation. The bill in its present form provides that this authority will expire automatically 6 months after the termination of the war emergency, or at such earlier time as the Congress by concurrent resolution, or the President may designate.

The American Bankers Association does not oppose this extension of authority to the Federal Reserve System as a war measure. It recognizes that certain restrictions which normally safeguard the fiscal, monetary, and banking systems are often inoperative in time of war. It is of the utmost importance, however, that there be a definite termination of the authority with the resumption of peace, as has been provided for in this bill.

The present provision of law was adopted in the Banking Act of 1935 after careful deliberation and extended hearings. The law should not be changed permanently without equally careful consideration.

These are considerations which you probably have in mind, but the matter is of such great importance that we wanted to be sure you knew the views of the American Bankers Association.

Cordially yours,

H. W. KOENEKE, President.

Mr. MICHENER. Now, will the gentleman answer my question?

Mr. DEWEY. Would the gentleman like to have me read the letter?

Mr. MICHENER. Just briefly, what is the answer?

Mr. DEWEY. The answer is that the bankers will go along with the Treasury Department and the Federal Reserve Board in any manner in order that this war may be financed and brought to a successful conclusion, but this does not mean that morality in banking, as morality in everything else, must not be safeguarded. Why not ask for those things which they really want rather than ask for powers which time after time the Governor of the Federal Reserve Board said he did not expect to use? He wants to cover the emergency, as I mentioned. The amendment I will propose at the proper time, permitting him to purchase, and the Treasury to sell, Government obligations having a maturity of 6 months or less will do exactly that without undermining the confidence of the people in our long-term securities.

Mr. EATON. Will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from New Jersey.

Mr. EATON. I would like to know whether this letter is the expression of the president of the bankers' association himself or of the organization as a whole, because one of the leading bankers, a member of that organization, in my district, is violently opposed to title IV.

Mr. DEWEY. It is signed by the president of the American Bankers Association.

Mr. CELLER. The first paragraph on page 46 states that the American Bankers Association does not oppose this extension of authority to the Federal Reserve System as a war measure.

Mr. DEWEY. That is the paragraph I first intended to read.

Mr. CELLER. And the letter is on the stationery of the American Bankers' Association. The letter is official?

Mr. DEWEY. That is true. It is official.

Miss SUMNER of Illinois. Will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. If the provision as written in the bill is adopted, what is there to prevent the Treasury from issuing bonds and selling them to the Reserve banks, thus forcing them on the market at no interest at all?

Mr. DEWEY. Nothing.

Miss SUMNER of Illinois. It will be virtually printing-press money.

Mr. VORYS of Ohio. Will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. As a layman, a lot of this is difficult for me to understand; but, as I get it, the need for any such emergency power would be to take care of a situation when the public would be so shaken, perhaps by some crisis in our war effort, that the public market would not be available for our Government obligations; is that correct?

Mr. DEWEY. That is the purported reason.

Mr. VORYS of Ohio. Would not the passage of such an authorization which envisages such crises as coming help to shake public confidence and tend to break the market?

Mr. DEWEY. I think that psychological point of view should be considered with this amendment. The claimed purposes will be covered by an amendment which I expect to offer which gives the Treasury permission to sell securities with a 6 months' maturity or less direct to the Federal Reserve banks. Certainly that should be long enough for the Treasury and the investing public to reorganize themselves.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Montana.

Mr. O'CONNOR. Suppose the Congress passes title IV of this bill. Does that take off the restrictions that are now placed upon the banks—and I refer to the Federal Reserve banks—from purchasing defense bonds sold to individuals? Suppose I have some defense bonds and I need the money. If we pass this law, can I take those bonds to the bank and sell them to the bank?

Mr. DEWEY. No; I do not think so. I do not believe this amendment restricts the action of the Federal Reserve Board in any way whatever. It broadens it to a great extent. They can either go into the open market or go directly to the Treasury, or the Secretary of the Treasury can tell them what to do.

Mr. O'CONNOR. Yes; but the banks cannot now buy these bonds from individuals.

Mr. DEWEY. This amendment has nothing to do with private banks; it only concerns the Federal Reserve System and the Treasury.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I have read this bill rather carefully and have marked up much that might lead to discussion. The powers granted to bureaucrats are enormous and rather frightening. I predict that we, as Congressmen, will be asked to relieve many a citizen from the rules and regulations promulgated under authority granted in this act. However, some such legislation is undoubtedly necessary, and I shall vote for the bill.

I hope to make one or two constructive criticisms. The English have made some constructive criticisms to Churchill which were to the end that he get rid of some of those persons who have not proven that they were able to carry on successfully. This is not harsh criticism of the President, but lately so many men have been brought to the top whose virtues were not weighty enough to keep them to the bottom. Think that over. Their very virtues were not weighty enough to keep them at the bottom. It seems the fashion nowadays for men without merit to become famous. Thus, my criticism



would be that, as in the case of Churchill of England, certain persons high in authority should be relieved and the confidence of the people renewed.

I wish to talk about title IV in particular. I desire to vote for the amendment that will be offered by the gentleman who preceded me, because he knows a good deal about this subject. He will probably present some limitation of this authority. Some of you say you do not quite understand this title. It is very clear.

Did you not hear that in connection with the last issue of Government bonds that the Federal Reserve assured certain banks that they might subscribe for more than they desired, and under the open-market operation the Federal Reserve would take them over? If they can whip the devil around the stump like that, they do not need this highly dangerous authority. That is not difficult to understand. It is, of course, the desire on the part of the Treasury to be assured in advance that every issue of bonds be assured of success, as they would have the Federal Reserve to guarantee it.

"We have taken vast powers back to Washington which in other hands would be highly dangerous." Who said that?

Mr. DONDERO. The President.

Mr. GIFFORD. Yes. We must watch very carefully lest these vast powers fall into dangerous hands, hence the warning now reiterated and suggested to its originator.

What will be the next move? It will probably be that all bonds should be guaranteed by the Government not to go below par value. A bond might then be used even as currency. Some \$4,000,000,000 is now being hoarded, largely in \$1,000 bills. These people now think those bills afford more safety than the bonds. But when we guarantee bonds at par, then the hoarder will see no advantage. He might then as well use his money and get his interest. He can get his cash at any time for full value. The next step we can easily foretell, the need of a full-fledged managed currency. This is on the way. With managed currency, heaven help us if the men at the helm are not men of wisdom.

Managed currency is what Hitler has in his own and conquered countries today. There is a 300,000,000-franc occupation fee to be paid daily by France. How shrewdly he has solved the matter of reparations. They collect reparations "on the barrel." With special marks, they are buying up everything of value in those countries. When the conquered peoples take these German marks they take them to their government authorities and receive more inflated national currency. A diabolical method of robbery by managed currency.

In the Philippines today the Japs are saying at the point of a gun, "Don't you dare complain about Japanese money." They are copying the German plan with their usual remarkable ability as imitators.

Well, let us grant this particular power today, if you insist it is necessary. As was suggested, the bonds may not bear any or little interest if the Federal Reserve saw fit not to require it, and certainly the people will not know when the

flotation was really successful or not. They will not be informed as to the portion guaranteed or taken by the Federal Reserve without careful inquiry.

This may be reassuring to the public and it may be needed. I fear the administration of the act, and while I do not like to compare the present administration with the administration during the last war, I feel that we have too many ready to experiment in making America over now holding high positions. "What of our national debt? Do not we owe it to ourselves?" Such expressions lead us to dread granting these powers to those who so lightly view the seriousness of the situation.

Vast powers have been granted in the last 8 years and none of them have we been able to take away. They are not willing to give them up. I dread to put these powers into the hands of such authorities. I hesitate to criticize the President, but he only has the power to appoint these men "whose virtues are not weighty enough to keep them at the bottom."

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Miss SUMNER of Illinois. Does not the gentleman think this will interfere with the sale of bonds by frightening people who would ordinarily buy bonds?

Mr. GIFFORD. I do not know. People are frightened enough when they will hoard \$4,000,000,000.

You say the bankers favor this. The gentleman from Michigan quoted a former president of the association. The committee produced evidence that the present head of the association favors the measure. "Yes, as a war measure," and I would think they would favor it. What would happen to those bankers, loaded with such securities, unless these flotations succeed and par guaranteed? Do not be surprised if they now say, "Yes, the American Bankers Association are in favor of this." For their own safety they must be in favor of this. Their own real opinion as to its moral side may be quite different. They surely desire to play safe as long as possible.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman.

Mr. BROWN of Ohio. Is it not a matter of fact that as a result of present conditions the banking association, as a matter of policy, was practically forced to write such a letter?

Mr. GIFFORD. For their own safety, of course, they must be for it.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CELLER. Is it not a matter of trust and confidence only? In this sense it is well to recall that in 1933 we passed the so-called Thomas greenback inflation amendment, which provided that the Secretary of the Treasury could—

Mr. GIFFORD. I know about that and the \$3,000,000,000 was never printed.

Mr. CELLER. Could we induce the Federal Reserve System to go into the market and buy \$3,000,000,000 worth of

bonds, which would form the basis of the issuance of \$3,000,000,000 of greenbacks.

Mr. GIFFORD. I do not know how to answer that.

Mr. CELLER. But the Treasury did not invoke that power.

Mr. GIFFORD. No; the administration dare not do it because it would destroy confidence.

Mr. CELLER. Does not that show we should have confidence in them?

Mr. GIFFORD. But they would not let us repeal that act. They also demand that we keep up the silver fiasco.

Now, before I answer further questions, I want again to say that I do not wish to embarrass my President. I want to make the constructive criticism that he remove these people who have dangerous notions and who have been bringing us toward financial ruin the last several years. The confidence of the people will be destroyed. I greatly fear that our financial doctors at the helm have lost the confidence of the people. Change them even though they may not be guilty. The people must be reassured and that is the gist of my appeal at the moment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. Does not the gentleman feel that title IV is a forerunner for the request that the President be given unlimited power to fix the value of gold at any figure?

Mr. GIFFORD. I have told you plainly that it is the forerunner of managed currency in all its damnable forms, as illustrated by its effect on other nations. I have tried to give you a warning of what is coming. This is only one step. Let us take it very regretfully, very carefully, and if it can be amended to limit it to safer bounds, let us do it. I plead that these doctrines we have been hearing, such as "What about our national debt?" "Don't we owe it to ourselves?" be a warning to us and guide our actions. I plead that the President reassure the people, else there may, indeed, be trouble in the flotation of good securities.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman.

Mr. DONDERO. Was there any power granted during World War No. 1 that is parallel to the power contained in title IV?

Mr. GIFFORD. I think not; but even if so granted, there were different people at the helm of the ship of state. That is not politics; but in the light of recent happenings, I have to say that that is true. Our President needs prudent and safe advisers at this critical moment, and it is no time to trust financial policies to ardent, even though patriotic, experimenters with our currency.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself 5 minutes. There is just one proposition involved and that is whether or not the Federal Reserve banks shall be permitted to buy directly from the Treasury exactly what they can buy in the open market. I had hoped



that the gentlemen who discussed this question would devote themselves to the question in issue which is all there is to it. Let me see if I can make a statement, and if I am incorrect in this statement I would like to be corrected. Bonds secured by purchases in the open market are just the same basis for the issuance of additional currency as though they were bought directly from the Treasury. Is that correct?

Mr. DIRKSEN. I do not think it is.

Mr. SUMNERS of Texas. Then the gentleman will speak on that later, I assume?

Mr. DIRKSEN. Yes.

Mr. SUMNERS of Texas. We have testimony here of Mr. Goldenweiser, replying to a query made by the distinguished gentleman from Michigan [Mr. MICHENER]. Mr. Goldenweiser is the expert for the Federal Reserve bank. Mr. MICHENER, before the Rules Committee, asked him a question concerning the matter of inflation, and he said this proposed amendment would not bring that about.

He was referring to inflation. He said that it is a situation that is exactly as has existed ever since the Federal Reserve System. It is the statement that I have made. I have been advised by gentlemen who have been connected with the Banking and Currency Committee that during the last war, and until 1935, the law was exactly as proposed in this bill.

Mr. STEAGALL. Yes.

Mr. SUMNERS of Texas. Let us see about this. The Committee on the Judiciary wants to do what you all say you want to do, so let us not confuse the situation but determine what ought to be done. We have been told—and it appears to be a reasonable thing—that in this war emergency it is a valuable thing for the Federal Reserve banks to be able to buy directly from the Treasury in some situations, something that is not now permitted. They did do something directly after the Pearl Harbor matter, which, while not exactly regular, they thought they had to do to save that situation. There was an issue of \$150,000,000, I believe, coming on the market at that time. The market was shaken by the Pearl Harbor incident. There was one of two things that could be done in that situation. One was to let this issue come on the market, strike a weak market, and imperil the whole market, or have the thing done that was done rather circuitously, and that, in effect, is buy directly from the Treasury. That seemed to be the sensible arrangement. This amendment would restore the law to what it was when we fought the World War and as it was until 1935.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GUYER. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I again say that I am sympathetic to the Federal Reserve banks being permitted to buy issues directly from the Treasury under certain conditions, on certain occasions. I do not believe that under present conditions it is necessary to go as

far as we are going in this bill, and I shall give a few reasons for that. The background of title IV is to stabilize the bond market and protect outstanding issues held by the people and to encourage prospective buyers to take on additional purchases. I think the gentleman from Texas [Mr. SUMNERS], who has just spoken, emphasized that. He has indicated there might be psychological market reactions where the people would become fearful for a moment or two, a day or so, and thus precipitate a break in the bond market. Let us look at the necessity for this title as it is written just for a moment. In 1941 the interest-bearing debt of the Government increased approximately \$13,000,000,000. The Federal agencies in connection with their trust accounts purchased two billions of that issue and the banks about four and one-half billions.

The life insurance companies, approximately one and one-tenth billion; and investors who purchase nonnegotiable, nonmarketable Defense bonds, five and four-tenths billion; or, in round figures, \$13,000,000,000.

We find that private holders increased their open-market Federal bond holdings about \$300,000,000, or less than 3 percent of the increase in the debt of last year. I am now referring to the group which is likely to precipitate a break in the market, thereby making this type of legislation necessary. This method of financing places little strain upon the Government's bond market. With about 33 percent of the issues of last year going to the commercial banks in the form of open-market securities, all sane bankers know that they will not dare throw their portfolio holdings back on the market and thus add to or accelerate a break in the market when an important issue is coming out, and when the situation is a little bit crucial. Sane bankers simply do not dump their holdings or offer their holdings under conditions which now exist and will exist for some time to come. That would invite trouble. They know better than to try it.

We also find that the Treasury will undoubtedly proceed with little change in its approach to placing long-term open-market issues in the hands of the public. Those issues will be placed in the hands of the commercial banks, of the insurance companies, and in the hands of the Federal Reserve banks. But this is not in line with the policy followed in World War No. 1, where private citizens were loaded with long-term open-market issues, as against the absence of such today, but with the public holding nonnegotiable issues in the form of Defense bonds which cannot be sold to any institution, but which may be cashed by making demand call on the Treasury after they have been held for 60 days, without interest at that time, but if held longer a little interest is paid on them. So it seems to me that we are about to go entirely too far in passing this legislation as here presented.

While I have not discussed the amendment with the gentleman from Illinois [Mr. DEWEY], just based on what he said a few moments ago I think I will be in-

clined to support that amendment, because it seems to me that under a \$60,000,000,000 a year expenditure for war material, \$5,000,000,000 a month is the maximum the Treasury will have to sell. With the sales of Defense bonds running about a billion a month, with your trust accounts of the Government buying more or less bonds all the time, and with the commercial banks certainly taking a great deal of those bonds, it seems to me that from a three to six billion dollars lift on short-term and long-term paper, if that is the way the Dewey amendment is worded, would be sufficient to meet any kind of an emergency that the Treasury can possibly face under a \$60,000,000,000 per annum war budget. If we are going to go into a hundred-billion-dollar-per-annum war budget as a result of our recent agreement between Lord Halifax and Sumner Welles, I would want to change my remarks very materially in that case. But I am speaking in terms of the \$60,000,000,000 a year war budget.

So, I hope when it comes to considering the Dewey amendment we will give considerable consideration to restricting this language so that the gate will not be so wide open as it is in this bill. It seems to me that would be a very constructive step we could take in connection with encouraging people to buy defense bonds. Certainly, with the gate partly closed, there will be more pressure upon the Treasury to sell bonds to the people direct—I mean defense issues, not open-market issues. It will thereby materially relieve the situation as far as the price administration is concerned. It may help the situation considerably as far as the tax program is concerned, and I think altogether will be exceedingly constructive.

It seems to me that the Federal Reserve Board and the Treasury might have come up here and faced the situation squarely and said to us, "We want the privilege of selling two billion, four billion, or six billion to the Federal Reserve banks and we want it for some short time and some long time paper." I believe had that course been followed it would have been more constructive all the way along the line. My thoughts are running in that direction today. The more I consider this subject the more I am inclined to make that approach.

Incidentally, it seems to me that the people will have to buy enormously greater amounts of defense bonds than we are buying at the present time. Personally I think the people at home are falling down on the fellows who are at the fronts. I do not think we have caught the spirit of this thing insofar as the financing of the program is concerned. I shall not be at all satisfied with the sales of defense bonds until we pass two and a half billion dollars per month, or at least \$25,000,000,000 per year. I am not talking about institutional purchases now. I hope the Ways and Means Committee will bring to this House a tax bill imposing upon me and other citizens of this country a minimum of \$25,000,000,000 of Federal taxes per annum, based on this year's estimated annual income of \$102,000,000,000. I



would rather give fee title to all the property that I have, transfer everything that I have to the Government and submit to a tax of 90 percent of my income than to proceed on the program we have been following and are following at the present time of building such huge deficits thereby creating capital levies against our equities.

I am one of those fellows who really believes in paying as they go, even if it takes the heart and most of the blood; so I am looking for big heavy tax bills. I think that is part of this general program and I hope the Ways and Means Committee brings it in.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, may I inquire as to the status of the time?

The CHAIRMAN. The gentleman from Nebraska has 1 hour and 5 minutes remaining, the gentleman from Michigan 58.

Mr. McLAUGHLIN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. WILLIAMS], a member of the Committee on Banking and Currency.

Mr. WILLIAMS. Mr. Chairman, it seems to me there has been a good deal of unnecessary excitement about this title IV. I am a little astonished by my friend from Michigan [Mr. WOLCOTT], advocating the star-gazing theory that has been advanced by certain economists, some of these theorists that he has so severely condemned in the past. I believe perhaps that he and the gentleman from Illinois [Mr. DEWEY] are pursuing a rather weird phantom that is the result of an overworked or perhaps an oversensitive imagination.

There is just one plain, simple thing in this title IV, and that is all: Shall the Federal Reserve banks be permitted to buy bonds directly from the Treasury as well as in the open market or shall their operations be confined to the open market? The gentleman from Michigan [Mr. DONDEROL], I believe it was, asked if there was any such provision in the law during the last war as is provided in this title—that is, whether the Federal Reserve banks had the authority to buy obligations directly from the Treasury. That provision, of course, was in the Federal Reserve Act permitting the buying of bonds by the Federal Reserve banks directly from the Treasury from the very inception. That was in the original law and remained in it until 1935.

Mr. WOODRUFF of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I would like to proceed for a moment. I have only 5 minutes.

The CHAIRMAN. The gentleman from Missouri declines to yield.

Mr. WILLIAMS. If I can get some more time I will be pleased to yield for any question concerning this issue.

It is well worth while to remember—and I call the attention of some of the older members of the Committee on Banking and Currency of the House to this fact, that in the 1935 act this provision limiting the purchase of bonds in the

open market was not in the bill reported by the Banking and Currency Committee of the House and was not in the bill that passed this House at that time. It was put in in the Senate and accepted in conference. You ask me why it was put in the 1935 act and I tell you very frankly that I do not know why. I certainly saw no reason for it then and I know there is no reason for it now. It looks very much like it might have been slipped in there through the persuasion of some big bond broker or big financial interest, although I do not know that. There is not a scintilla of reason why that limitation should be in this law now or at any other time. It should never have been put in there. When any man gets on this floor and tells me that the purchase of bonds direct from the Treasury by the Federal Reserve bank is more inflationary than buying the same bonds in the open market from the commercial banks of this country I challenge that statement, because it is not true. Every bond that is bought in the open market by the Federal Reserve banks from the commercial banks of this country is 100 percent inflationary and you cannot possibly make it any more so by buying the same bonds from the Treasury direct. There is not anything in that argument, there cannot be. There has not been a man on this floor, I say, and there has not been one of these men who sent in all these letters, messages, and telegrams that has given a single reason why one method of buying bonds is more inflationary than the other. They simply make the bald statement that it is more inflationary to buy bonds directly from the Treasury than in the open market. I deny that and challenge the statement.

In order that there may perhaps be a better understanding, let us consider the mechanics by which these bonds are purchased. To start with, the Federal Reserve banks have the right and the authority to purchase Government securities limited now only in the open market. The provision of title IV strikes that out and permits them to buy either in the open market or from the Treasury direct, or both, as they choose. The Open Market Committee is composed of the Board of Governors of the Federal Reserve System and five representatives of the Federal Reserve banks from the different sections of the country. The Committee operates through an agent which in practice is the Federal Reserve Bank of New York.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, I yield 3 additional minutes to the gentleman from Missouri.

Mr. WILLIAMS. The Open Market Committee determines the policy under the law. Now, remember this, the policy which the Open Market Committee follows in the purchase of bonds is laid down by Congress. Congress charts the course that they shall follow. We lay down the standards by which they operate. They in their policy must consider the general credit situation throughout the country and they must consider the needs of agriculture, industry, and commerce. The Treasury Department has no more to do with it than I.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I know what the gentleman read during his argument, which is subsection 6 of section 10 of the Federal Reserve Act. It has no application at all to this amendment contained in title IV. The gentleman evidently obtained his suggestion from Walter Spahr, the famous economist from New York University, because he wrote me a similar letter and sent me the same statement. Subsection 6 of section 10 has no more to do with this amendment, I say, than a Hottentot in Africa.

Mr. DEWEY. The gentleman does not believe in the Federal Reserve Act?

Mr. WILLIAMS. I read and studied it thoroughly, and I know that it does not have any connection, because the gentleman must know it does not say a word about the Open Market Committee.

Mr. DEWEY. It refers to the Federal Reserve Board, which is composed of the Open Market Committee.

Mr. WILLIAMS. I am surprised; I am astonished that the gentleman from Illinois with his experience and learning, splendid ability, and high standing would come in here with that suggestion which was made by Walter Spahr to the Members of the House and to the members of the Banking and Currency Committee. When it is analyzed, I say again as a lawyer who has studied it and studied it carefully, and I say it upon the advice and authority of the general counsel of the Federal Reserve Board, it has absolutely nothing at all to do with this measure and has nothing to do with the open-market committee. This committee is entirely independent and free of all direction and control by the Treasury. The Treasury Department is as far from dominating the Open Market Committee as it is any other separate agency or department of government. I say again this committee has its work to do in accordance with standards established by Congress and is in no way connected with or subject to the orders of the Treasury. The Treasury might act in an advisory capacity, it might make suggestions, that is true. May I ask the gentleman if there is any reason, especially in an emergency, why the Treasury of the United States and the great central banking system should not work in cooperation, why they should not coordinate their efforts, why they should not work in harmony?

Mr. DEWEY. None whatever.

Mr. WILLIAMS. In order to finance this Government and in order to take care of the general credit situation throughout this country, it seems to me that the gentleman's position implies that the committee or the Treasury Department, or both, would misuse their authority and violate their trust. I assume that the Treasury and the Open Market Committee are as much interested in the credit conditions and general welfare of the country as either the gentleman or I. And, so far as I am concerned, I am willing to admit they know as much about the problems involved as I.

Mr. DEWEY. The gentleman asked me a question.

[Here the gavel fell.]



Mr. McLAUGHLIN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DEWEY. Will the gentleman permit me to answer the question?

Mr. WILLIAMS. No; I will not yield any further. I think I have answered the gentleman's question.

There are two important reasons why this limitation should be removed. In the first place, it will do away with the commission that the gentleman spoke about, and I want to ask the Members here on the floor what reason is there for the open-market committee to go out on the open market and pay a banker or pay a bond broker a commission to buy bonds? If the need to buy them exists on the part of the open-market committee, why not buy them direct from the Treasury and not be at the mercy of the bond brokers of this country? Why should the committee be compelled to pay a commission to a bond broker in order to buy bonds in the open market, when they can buy the same bonds directly from the Treasury without paying a commission? There can be no answer to that proposition. In the next place, it is a humiliating and a disgraceful thing to have the open-market committee representing the great central banking system in the greatest Nation on this earth go out, as this law now compels them to do, and on bended knees and with hat in hand ask the commercial banks through their bond brokers to buy a bond issue in order to sustain the bond market of this country. It is a disgraceful thing to have to do that, but that is the situation we are in and that is what we had to do after the Pearl Harbor incident. It should not happen again. The Board should have the right to buy them direct, and be saved this humiliation and expense. Title IV should remain in the bill.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, as I take it, this amendment has been offered by the Judiciary Committee to the House upon the recommendation of the Treasury and the Federal Reserve System for one purpose and one purpose only, namely, to stabilize the Federal bond market. It would be very anomalous indeed if the rank and file of the Nation were persuaded to buy defense stamps and defense bonds to support the great war effort only to find those bonds and those stamps in a falling and declining market.

Situations are bound to arise during the emergency where the market must indeed be properly stabilized. The purpose of this amendment is to be certain that there cannot be even by the widest stretch of the imagination a situation develop where the bonds would so fall in price as to affect dangerously public morale. Around March 15 the Treasury usually has great obligations to assume. Large sums must be paid out and large sums are coming in, but the outgo and the income are not synchronized; they do not meet exactly to the penny; therefore the Treasury must get sufficient funds to run the Government and to

meet its obligations exactly on time. It cannot wait. It must rely upon the Federal Reserve System to which it turns over its bonds and gets the cash.

It might be that the open market transactions could meet a situation of that character. It may be, on the other hand, extremely difficult to expedite the bringing into the Treasury of sufficient funds to meet Treasury obligations at that particular time, to wit, March 15, merely through open-market transactions. Direct purchases from the Treasury may be necessary to supplement such open-market purchases. Anything can happen in a war. We must be ready for all emergencies. The Treasury cannot be embarrassed at any time. It should not be. It must have sufficient funds at all times. It should never be placed in the position of being badly pinched because of large withdrawals.

The purpose of this amendment is to facilitate these arrangements, and nothing should stand in the way of that facilitation. You heard something said today and yesterday about Pearl Harbor. It would be tragic, indeed, if the bonds that were offered by the Treasury on December 8, the day after the Pearl Harbor tragedy, had not been taken up completely by the public. It so happened that they were taken up successfully by the public. But the Federal Reserve Board was not taking any chances. It went out on the open market and made purchases. This type of making purchases might grow extremely difficult in another emergency, and we are going to have to go through many emergencies. The startling news had caught the Treasury in the midst of a large and difficult fiscal operation. That crisis was properly and logically met by Federal Reserve purchases in the open market to hold up prices for the Government bonds. But under the same or more tragic circumstances it might be awkward, if not extremely difficult, for the Reserve System to buy successfully in the open market. We can take no chances. The limitation of direct purchases must be lifted. Otherwise we get into serious difficulties. I do not say we will. We may.

In time of war our fiscal authorities ought not to be handcuffed.

Furthermore, what happened on December 8? The Federal Reserve went to a number of brokers and asked them to make the arrangements whereby the Federal Reserve could get the amount of bonds they sought. Without putting up a single dime, without putting up a single penny, these dealers reaped a rich harvest, and all they did was to write a few letters and have a few interviews. The transaction was then closed, and they pocketed thousands of dollars.

It might sound very little to state, as the gentleman from Illinois did state, that it was only 31 cents' commission on every \$1,000, but multiply that 31 cents by millions of \$1,000-bond transactions and you will get a rather tidy sum. The Treasury and the Federal Reserve System should not be placed in the embarrassing position of being compelled in an emergency of that character to go to any dealer or any set of dealers for a compulsory purchase of this character.

It has been stated and bruited about that the Treasury could by this amendment have an instrument to bludgeon the Federal Reserve System to do its bidding. Let me read briefly from the testimony of Chairman Eccles of the Federal Reserve Board:

The Treasury cannot compel the Reserve System to purchase Government securities. The Federal Reserve System has the discretionary power to purchase them. The Treasury has no mandatory power to require it.

That should be sufficient answer to those who are disturbed that the Treasury may get control of the Federal Reserve System in this regard.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Idaho.

Mr. WHITE. The gentleman says that the Treasury cannot force the Federal Reserve to buy bonds. If the Federal Reserve does not support the bonds, with all their huge reserves of Government bonds, what becomes of their reserves?

Mr. CELLER. Yes; but the Federal Reserve System has always done everything in its power to aid the Treasury. The point I am trying to make is that the Treasury has no power to coerce and to force the Federal Reserve Board to do its bidding.

Mr. WHITE. If the Treasury shoves out a big issue of bonds and the Federal Reserve does not buy them and the bonds fall in price, what happens to all the reserves in the form of bonds held by the banks?

Mr. CELLER. Thank God we have a Federal Reserve Board and a Treasury Department that cooperate with each other. They confer with each other, work faithfully with each other. The situation which the gentleman conjures up could not, would not happen.

This whole situation can be summed up in the word "confidence." We must have confidence in the Federal Reserve Board. It is just like giving a doctor the power to put cocaine or morphine into the body of a patient. The doctor can give an overdose, the doctor can give too much, but you have confidence in the discretion and the wisdom of that doctor, and you give him the right to inject that cocaine or morphine into that disturbed and diseased body. So it is with the Federal Reserve System and the Treasury. We must have the uttermost confidence in those two entities or we may as well not have any bill at all. They are our fiscal doctors. They, with this amendment, may have power to create great inflation. That is possible. They could conspire to bring about great inflation. But we have confidence in these doctors. They will help and cure us. They will not inject into us any virus of inflation.

I am willing to give them this additional power, particularly since we have the experts who know something about fiscal matters telling us there is no danger.

Senator CARTER GLASS, of Virginia, former Secretary of the Treasury—and there is no one better informed than he on financial matters—is the author of



the original amendment that took this power away from the Federal Reserve System in 1935. He is now the author, as it were, in the Senate of this amendment embodied in title IV. He now feels that as a result of the war and the necessity of bolstering up the powers of the fiscal agencies of the Government, that the restriction of direct purchases should be removed from the Federal Reserve System powers.

Mr. Eccles also indicated that unless we take away this restriction from the Federal Reserve Board it is going to cost the Nation more money to finance the war effort. I will read what he said:

In the last war the cost of financing the war was increased all during the war. In other words, the Government was paying increased interest rates during the entire period. The member banks, instead of having any excess reserves or excess funds, were borrowing heavily from the Federal Reserve System. They borrowed as much as \$2,000,000,000 from the Reserve System to finance the many people who were purchasing governments and also to finance commerce, industry, and agriculture.

Now, if the Reserve System at that time had either purchased a lot of securities in the market or purchased directly from the Treasury, they could have kept that interest rate down, instead of having the 4½-percent rate, tax-free, which was outrageous, in my opinion. Instead of the basis they did finance it on, they could have financed at 2½ or 3, or whatever rate they wanted to establish.

In other words, taking away this restriction by passing title IV will enable the Federal Reserve System to sell its bonds at a lower rate of interest than they were sold at during the last war. That is worthy of our consideration and should prompt us indeed, if nothing else should, to adopt this title IV.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HANCOCK], a member of the committee.

Mr. HANCOCK. Mr. Chairman, the course the debate has taken up to date indicates quite clearly that omnibus bills of this type are inadvisable. Fully half the time that has already been consumed has been taken up in the discussion of one item in the bill, title IV, and nearly all of that time has been used by Members of the Committee on Banking and Currency. I think it is plain that we would have gotten a better piece of legislation and a better understanding of this title if it had been introduced as a separate bill and had been referred to the Committee on Banking and Currency, where their differences of opinion could have been discussed in the committee room.

When this bill was introduced a few days ago the membership of the House was stunned and shocked at its wide scope and the magnitude of its provisions. I judge from remarks I have heard on the floor and in the cloakroom that Members are suspicious of it and are afraid of it. They imagine there are all kinds of ghosts here. They see in it a complete destruction of our civil liberties and our property rights. I wish to reassure the Members on this side at least that this bill is in the main wise and necessary. I intend to vote for it

whether it is amended or not. I think there are some questionable features in it and, perhaps, some amendments should be adopted, but most of the 15 titles are emergency measures which we need in the prosecution of this war.

If you have read the bill you will realize it embraces subject matter which properly comes under the jurisdiction of the House Committees on Interstate and Foreign Commerce, Banking and Currency, Merchant Marine, Post Office and Post Roads, Immigration and Naturalization, Coinage, Weights and Measures, Census, Military Affairs, the Judiciary and, perhaps, other committees. I do not believe that in the history of the Congress we have had a bill that was quite so far reaching and covered so much ground as this measure. It is a bigger job than one small subcommittee can handle satisfactorily.

I had the privilege and responsibility of sitting on the subcommittee which listened to the representatives of the departments and bureaus that are interested in the various items. We only heard the proponents: I am not blaming anybody for this. The chairman of our subcommittee, the gentleman from Nebraska [Mr. McLAUGHLIN] worked diligently and faithfully to give the bill adequate study and consideration and to bring it to the floor of the House as expeditiously as possible because many of the provisions should be enacted without unnecessary delay. I compliment him for his conscientious devotion to an important and arduous task.

In opening his statement to us, the Attorney General said:

It might interest you to know the method in which the bill was originally prepared, as I think it is probably a very good technique, particularly during this period when many of the departments are anxious to get through bills which they think affect their efficiency in the war.

He then explained that an emergency legal committee had been set up in his office to ascertain the legislation desired by the agencies of the Government to aid them in their war efforts. Their requests are incorporated in this bill.

I say it is extremely bad technique, and with all due respect to the Attorney General, his zeal, his high motives, and patriotism, I hope he will not recommend another piece of legislation of this kind. I do not believe he fully appreciates that the legislative committees of the House develop specialists on the subjects within their jurisdiction, that they are jealous of their prerogatives and resent attempts to usurp their functions. Without exception, the Members of Congress wish to be helpful and to cooperate with the executive branch in every possible way.

We have heard a couple of hours of discussion of title IV. I think the advisability of that title is extremely questionable. I also doubt the advisability of section 6.

You will recall that a requisition bill was passed a few weeks ago. An amendment was offered by the gentleman from New York [Mr. TABER] and adopted. This amendment made it impossible for the Government to go into a plant and

seize a piece of apparatus or machinery which was necessary for the operation of that plant. Title VI repeals that provision, and it leaves the owner of such a plant in the position where his recovery is limited to the fair market value of the property seized. In other words, an agency of the Government can go into a man's plant under this title, take machinery essential to the operation of that plant, and the only damage which the owner can recover is the value of that machine as a second-hand article. This is not fair. In my opinion, the principle of severance damages should be applied here. In most jurisdictions, when a part of a parcel of real estate is taken, the measure of damages is the value of the whole parcel of land before and after taking a part thereof. I think a similar rule ought to be applied here. I do not believe that the Requisitioning Act could have been passed without the Taber amendment. Here, with little discussion and with a very weak showing of the necessity for it, we are asked to repeal the so-called Taber amendment.

I think title VIII is also questionable. This title opens wide the doors to every employee officially employed by the Office of Civilian Defense to the benefits of the United States Employees Compensation Act. It is not needed at the present time. The question should receive further consideration than it has been given. I understand our distinguished chairman will move to strike it out of this bill.

I also have some doubt about the advisability of the title providing for the coinage of a new 5-cent piece, to be made principally of silver and copper. The present coin costs one-fifth of a cent to make, the new one will cost 4½ cents. Since we are now coining nickels at the rate of over 300,000,000 a year the change will cause a substantial loss in seigniorage. The proposed coin will be so valuable intrinsically, so nearly worth par, that there is danger it will be hoarded. This title ought to have been considered by the Committee on Coinage, Weights, and Measures.

I should like to discuss the bill in greater detail but I have not the time. I think it ought to be passed. Improve it if you can, but do not defeat it. If there are mistakes in it they can be corrected by subsequent legislation.

All of us realize the grim, bitter truth that our country is face to face with the most perilous, fateful period in its history and we are reconciled to the necessity of sacrifice, privation, and, as we believe, a temporary suspension of our property and civil rights. Every true American is eager to do his duty, to carry his full share of the burden. This bill will cause some hardship on different groups of people, but it ought to be passed, with or without amendment.

(Mr. HANCOCK asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, may I say at the outset of the short period I have to talk on this subject that all of us realize we are engaged in war and that



great power must be extended to the Chief Executive in time of war. We must win this war and we must win it as quickly as possible.

This bill is what we term ordinarily an omnibus bill. There are 15 titles in it. I agree with the gentleman from Colorado [Mr. Lewis], a member of the Rules Committee, who spoke on the rule on this bill and referred to the numerous titles and numerous subjects involved in the measure, many of which should never have come before the Judiciary Committee, but should have gone before a committee to which that particular title or subject is applicable.

I want to call the attention of the Members of the House especially to title II of this bill. As I mention matters in this connection I want to say that I have the highest regard for the chairman of subcommittee No. 4 of the Judiciary Committee, the gentleman from Nebraska [Mr. McLaughlin]. We heard the evidence on this bill and, finally, after a full hearing, the bill was reported out. Under title II, I want to call your attention particularly to the fact that there is an attempt to broaden the field of eminent domain. Heretofore condemnation has been applicable only to real estate, but in this bill condemnation is extended to personal property as well as to real estate. A new field has been entered. We are exploring a new procedure with reference to the condemnation laws.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Certainly.

Mr. McLAUGHLIN. I think it would be well for the gentleman to point out that the personal property to which this power is extended is only personal property that is a part of the real estate which is taken by the process of condemnation.

Mr. SPRINGER. I wish to thank the gentleman. I am coming to that point just now, and I shall read that portion of the bill, so the membership will hear it and know just what the provision is. In line 13, on page 3, the bill provides:

or may cause proceedings to be instituted in any court having jurisdiction of such proceedings, to acquire by condemnation, any real property, temporary use thereof or other interest therein.

It will be observed that this language is very broad. I do not know that the provision could be made broader, because it provides for the condemnation of the real estate, the temporary use thereof, or other interest therein. Then listen to the following provision of that section of the bill—

together with any personal property located thereon or used therewith.

When we refer to that language, that appeals to me that there can be a condemnation of the real estate and the personal property which is located thereon and used therewith.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GUYER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. SPRINGER. And there may also be condemnation of, or the decree of the

court may extend to, the temporary use of the real estate, and of the personal property, as well as "or other interest therein" of both personal property and real estate.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Certainly.

Mr. DITTER. Would the gentleman say that there could be a condemnation proceeding which might destroy that personal property right, that is the right in the personal property, entirely independently?

Mr. SPRINGER. I think the gentleman is entirely correct, and I am just coming to that particular point in this discussion.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Yes; I am happy to yield to my colleague from Pennsylvania.

Mr. GRAHAM. Is there anything in that language that the gentleman has just quoted which will prevent the sale or disposal of this property to anyone, so that there would not be recourse in the original owner?

Mr. SPRINGER. There is not, and it provides in lines 21 and 22 that the Government may dispose of such property, or interest therein, by sale, lease, or otherwise, in accordance with section 1 of the act of July 2, 1940, 54 Statutes, 712, and I shall read from that statute. This is section 1 (b) of 54 Statutes, 712. I quote:

The Secretary of War is further authorized, with or without advertising, to lease, sell, or otherwise dispose of such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable.

Therefore, under that provision of the law, the man whose property is taken stands by and these agencies have the power to sell and dispose of it, with or without advertising, in such manner and in such form as they may determine.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Certainly. I yield to the gentleman from Illinois.

Miss SUMNER of Illinois. Will it permit them to condemn without its being necessary? In the R. F. C. bill all they have to show is that it is advantageous. I ask the gentleman if there is any precedent for this, in the common law or statute?

Mr. SPRINGER. As I stated, this is an entirely new field in the law of eminent domain, and under the provisions of this proposed act itself, in line 17, where it refers to the taking of the personal property, the provision is further stated:

that shall be deemed necessary, for military, naval, or other war purposes.

And the condemnation can then proceed in the manner and form as provided by law.

Mr. ROESION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Yes. I yield to the distinguished gentleman from Kentucky.

Mr. ROESION of Kentucky. It developed that one of the things that would likely take place is that they could go in and take the real estate, take the plant,

and take any part, or take any part of the machinery therein, or any part of any machine. Isn't that it?

Mr. SPRINGER. That is true, and I shall reach that point in a moment if the gentleman will permit. Under this proposed law, and under this plan of condemnation, any part of the real estate may be taken, or any part of the personal property may be taken. In other words, under this plan of condemnation proceedings, the real estate and the factory buildings may be taken, and any master machine or machines might be taken.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. GUYER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SPRINGER. A master machine or machines may be taken out of that plant, leaving all other machines and all other property which is subsidiary or secondary to the master machine practically valueless and worthless to the owner of that plant. The distinguished gentleman from Alabama [Mr. Hobbs] will offer an amendment to title II of this act, to which I have addressed my remarks. I suggest for your consideration in this connection the measure of damages as now provided in the law is the fair market value of the property which is taken. If the real estate and master machines are taken, then the measure of damages would be the fair market value of that property which is taken, without regard to any damage to any other property or to any other machines in that plant. My conclusion is in this connection, since we are exploring a new field and since we are going into a new theory of condemnation under the law of eminent domain, that the property should be considered as a whole, and the value of that plant or of that farm, or whatever property is taken, should be considered as a whole, both the real estate and the personal property and the value thereof ascertained before the taking occurs, and then the value of that same property estimated after the taking has occurred, and the difference in value would constitute the measure of damages, so that fair and just compensation may be awarded to the people of this country who own the property and which property may become subject to condemnation under this proposed bill. I urge that our people be protected and that their property and their rights therein be not taken without just compensation being paid therefor by our Government. We are at war, but our people must be protected in their property rights.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Gwynne].

Mr. GWYNNE. Mr. Chairman, I intend to vote for this measure. I shall now confine my remarks to three titles in the bill.

Under title VII we put the members of the selective draft boards under the Hatch law. I am in favor of the Hatch Act. I doubt, however, the advisability of extending it to cover members of the



selective draft boards. The Hatch Act is not extended to cover other civilians who have similar duties and functions. Members of those selective draft boards are chosen in a nonpartisan way. In my section, at least, they are people of very high standing. They are performing a necessary and many times painful duty. I believe the bill might well be amended to exempt them from the operation of the Hatch law.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. WADSWORTH. And will the gentleman remind the House that they serve without pay?

Mr. GWYNNE. That is true.

Now, I want to go to title II and title VI, about which something has been said recently. I cannot agree with my colleagues that those two titles make any great fundamental changes in the law of eminent domain as it now exists in this country. If there is anything wrong about the proceeding by which the Government takes your property it is because of laws heretofore passed, and because of court decisions heretofore rendered.

What changes do we make in the law? In title II here are the principal changes: We extend the power of taking, now held by the Secretary of War, to the Secretary of the Navy and any other officers or agencies designated by the President.

Second, we give the Government power to take immediate possession—that is, when the petition for condemnation is filed. That right exists now in many States.

Third, we empower the Government to take the real estate and incidental personal property thereon. As I understand this title, the right to take personal property under this title is limited to personal property that is used on or in connection with the real estate. For example, a fence attached to a farm would be part of the realty. A temporary fence, not attached but used habitually in connection with the farm, would be the kind of property, I think, that is meant to be covered by this particular amendment.

It also gives the Government the right to take and improve the property before the opinion of the Attorney General is given as to the title. That is title II.

Title VI amends an act we passed on October 16, 1941, which allowed the Government to requisition personal property. The only amendment we make in title VI is to strike out the Taber amendment to the original act. You will remember under that amendment the Government could not take a piece of machinery which was in actual use in a factory and necessary to the operation of the factory. I supported that amendment then. I believe now, however, circumstances require the repeal of it.

Let me call your attention to a very important amendment that will be offered by the gentleman from Alabama [Mr. HOBBS]. That has to do with the amount of damages that will be awarded in these cases. He will offer this amendment:

The amount paid for any property so taken shall include fair compensation for losses

proximately caused by the taking, in addition to the amount which would otherwise have been payable.

I suggest if you wish to see some interesting litigation that will never end, adopt that amendment.

Now, what is the situation about this eminent domain? The right of the Government to take property for a public purpose is a constitutional right, based upon the fact that the Government is sovereign. In a thousand cases from the beginning of our Government, the Federal Government, State governments, municipal governments, and public utilities have taken private property for a public use. Now, what damage do they pay? That is more or less regulated also by the Constitution, as interpreted by the courts.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. GWYNNE. As you know, there is an inhibition in the Federal Constitution and most of the State constitutions against the taking of private property without just compensation. The courts in innumerable cases have recognized the fact that the assessing of damages can never be reduced to an exact science, but the courts in their experience in these cases have pointed out the guideposts which in most cases show the way to a just decision. The general rule adopted is that if your property is taken you will be awarded the reasonable market value of that property. If part of your property is taken, consideration is always given to that fact and you are usually awarded the difference between the market value of the entire tract before the taking and the reasonable market value after the taking. In arriving at market value the courts have allowed great latitude in the taking of evidence and will do so in this type of case.

My objections to this amendment are twofold. First it would unsettle the well established laws of eminent domain relating to damages; and, secondly, you would make the Federal Government pay more for the same property than they would be required to be paid if the property were taken by the State, or the municipal government.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE. I yield.

Mr. GIFFORD. What worries me is personal property, good will, and that sort of thing. I hardly think there is an established procedure for determining the loss of good will and the loss of labor through the taking of machinery, for instance.

Mr. GWYNNE. It is done very often, let me say to the gentleman from Massachusetts. When they take a factory, and it is done now, they give the reasonable market value; and in computing the market value they consider prospects and good will. Everything should be and is considered by the average jury.

In this and other legislation we are granting to the Executive great powers. There is nothing unusual nor undemocratic about such procedure. The carrying on of a war is a function of the Executive. He alone, through his experts,

can say where the men and the weapons shall be employed. Practically all democratic governments have recognized this necessity and have made arrangements for it. The provision for appointment of a dictator in the ancient Roman Republic is an example. Even among the Indian tribes in America it was the practice to choose a war chief whose powers terminated with the coming of peace.

The framers of our Constitution had learned from experience the futility of divided authority against an enemy. The powers given to the President as Commander in Chief of the Army and Navy are comprehensive and have been so construed by the courts. The methods of warfare have radically changed since Revolutionary days. It is no longer an effort made on well-defined battlefields by a relatively small body of soldiers. Now the fighting forces consist of the entire population. Industry, commerce, and agriculture must all be mobilized for victory. This necessitates a control by the Executive in fields where in time of peace he has no constitutional authority.

An emergency due to war also increases the power and responsibility of the Congress. Insofar as the delegation of war powers is concerned, the Congress should be guided by three fundamental principles:

First. The powers granted should be only for the purpose of carrying on the war.

Second. Constant vigilance should be exercised to see that these powers are used efficiently.

Third. Adequate steps should be taken now to guarantee the return of the powers to the people when the emergency has ended.

Since the first World War gigantic forces have been operating all over the world. After incredible crimes these forces have succeeded in establishing in Germany, Italy, Japan, and Russia governments founded on principles widely differing from our own. In a more limited way these same forces have been operating in our own country. Certain groups in our population, some consciously and others unconsciously, have been advocating policies which must eventually lead to a totalitarian state. Their work has been made easier because of the depression following the first World War. That emergency made necessary the exercise of certain powers by the Federal Government and particularly by the executive branch. In the field of relief, for example, we set up such organizations as the C. C. C., the N. Y. A., and the W. P. A. In their day they may have been necessary.

However, we now face a different situation and these organizations are not useful in the prosecution of the war. The appropriations for them should be drastically reduced or their activities completely eliminated. Great care should be taken to prevent further making over of our Government under the guise of the national defense.

In the second place, it is the duty of the Congress to insist that the vast powers granted shall be exercised with the greatest efficiency. The organization of



our war effort still leaves much to be desired. Many persons holding important positions were chosen because of their attitude toward certain reforms thought by the administration to be desirable. Valuable as they may be in that field, many of them do not have the administrative ability necessary to carry on the war. They should be replaced by men who have demonstrated in their private life their ability to get things done. The duty of Congress does not end when it appropriates the necessary funds. Through its proper committees it should keep the country constantly advised concerning what it is securing for its money.

When the war is won it will be our duty to return the country to normal American life. Although we must have it in times of emergency, the concentration of great power in the Federal Government is not consistent with that way of life. History has often demonstrated the difficulties of getting back powers delegated even temporarily. This particular bill attempts to meet that situation in two ways. First, it provides that the powers granted may be terminated at any time by a concurrent resolution of the Congress. This is an excellent provision, although there is some doubt about its constitutionality. There is a further provision that the power shall not be exercised after December 31, 1944. This is a very definite and effective safeguard and a similar provision should be carried in all bills making great and unusual grants of power.

Mr. Chairman, I yield back the balance of my time.

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Chairman, this administration blows hot and it blows cold in its war efforts, all in the same day. It asks unlimited, arbitrary power, on the theory that it needs it to carry on the war, but it refuses to exercise the power it has to end practices by its political allies which prevent successful, efficient production of necessary war matériel.

Under this bill the President is granted authority to do almost anything he wants to do. He can destroy the rights granted to us under the Constitution; he can take away our property. Now, the majority party brings in a bill of this kind and gets us in a hole. That is characteristic of the majority party. They did it yesterday, they are doing it again today.

For example, you are getting me where I must vote for this bill or be charged with being against the administration's war effort; and at the same time you place me in a position where when I vote for this bill I destroy the rights of constituents I represent. There is no question about it. Under one of the sections of this bill the administration, or Sidney Hillman, if the President designates him, can take possession of any factory in Michigan for the purposes of war production and turn that factory over to a group designated by the union. There is no question about that; he can do it. Any

Federal agency named by him can do it. What a club over employers that gives to the labor politicians. But you say we must vote for the bill. We must give the President authority in order to win the war. Unless he quits playing politics with labor politicians, we will never win the war. All right, I will go along with you; I will vote to give him power; but, believe me, we are going to hold you, the majority party and this administration, to strict accountability for the way in which this power is exercised. What do we have on the other side of the picture?

On Monday night, the President, in his report on the progress of the war, which came while his political adherents were sitting down to a \$100-a-plate dinner here in Washington, said:

We shall not stop work for a single day.

Twice again in that admirable, inspiring address, he reiterated that sentiment. But, what is the fact?

#### PLAYING POLITICS WITH FIRE

This administration, and the majority party, in spite of the war and notwithstanding the losses which, except the loss of the *Normandie*, may have been unavoidable, are playing politics.

By that charge I mean that the administration, without being checked by the majority party in Congress, is following a course in connection with war production which tends directly to, and is, and for some time in the past has been, not only delaying but diminishing our supply of materials for the fighting men.

This course the administration is not following unwittingly nor inadvertently. It is following it knowingly and deliberately. It apparently has weighed the disadvantages and the advantages. The administration knows that its labor policy has curtailed, that it is and that it will continue to curtail, production of essential war materials. That is the disadvantage of that program. The only possible advantage is the one which flows directly to the administration itself, as distinguished from the country at large. The labor policy of this administration is designed to, is followed for the purpose of, and the result of it is, the securing of political support from the leaders of organized labor.

Whatever may have been said by the administration about the four freedoms, about how Hitlerlike it would be to deny to American citizens their moral and legal right to work without being forced into a union, it is nevertheless true that the policy adopted by the administration and sanctioned by this Congress by its refusal to give relief has deprived and is depriving American citizens not only of the opportunity to exercise their unqualified right to work in defense of their country and to earn a livelihood for themselves, but is also directly and to an alarming extent depriving our armed forces of their urgently needed and absolutely necessary supplies and munitions.

Notwithstanding his statement that this Government would not force men to join a union, that very thing is being done by agencies created and controlled by the President. Defense workers are being "Hitlerized," as the President

termed it, by being forced into unions controlled by Murray and Green.

Monday night, the President pointed out how far-flung were our battle lines; how incredibly long were our supply lines; the almost insurmountable difficulties of maintaining lines of communication between the home base and the fighting front.

The President knows, or should know, something of the magnitude of the task which confronts not only the fighting forces but the civilian population. Unfortunately, he has refused, and he still refuses, to act at the source of the danger here at home—to change the policy which is slowing down the wheels of industry, delaying the day when we can say that civilians at home are doing their utmost for those who are bearing arms.

On February 17 last, a Member of this body uttered these words:

There has been no strike in defense industries, and there are no strikes today.

To show how inaccurate was that statement and the necessity for action by Senate and by House, from the United States News, dated February 27, I print the following, which refers to strikes reported during the very week the Member was making his statement:

#### STRIKES

Twenty-four strikes, involving more than 8,710 employees, were reported in Washington last week. Included were four slow-downs of which the Government took official cognizance. The most serious of these cut production by 40 percent at Monroe Steel Castings Co., Monroe, Mich.

#### The totals:

Eleven American Federation of Labor strikes involving more than 2,895 employees.

Ten Congress of Industrial Organizations strikes involving more than 3,815 employees.

Three independent union strikes involving more than 2,000 employees.

In the list below, the figures in parentheses are the approximate number of employees involved in each strike. Asterisks indicate the slow-downs.

#### INVOLVING AMERICAN FEDERATION OF LABOR UNIONS

Building trades: Edwin F. Guth, St. Louis, Mo. (20); Dennison Engineering Co., Columbus, Ohio; Timken Ordnance Co., Canton, Ohio (50); Noank Shipyards, Noank, Conn. (70).

Electrical workers: Spicer Manufacturing Co., Toledo, Ohio.

Garment workers: Cable Raincoat Co., Boston, Mass. (1,400); Sun Manufacturing Co., St. Joseph, Mo. (270).

Leather workers: Elkland Leather Co., Elkland, Pa. (875).

Metal trades: Columbian Bronze Co., Freeport, N. Y. (150); Curtiss-Wright Corporation, Caldwell, N. J.\*

Miscellaneous: E. C. Atkins & Co., Indianapolis, Ind. (60).

#### INVOLVING CONGRESS OF INDUSTRIAL ORGANIZATIONS UNIONS

Aluminum workers: Aluminum Co. of America, Detroit, Mich. (2,000); Detroit Nut Co., Detroit, Mich. (60); Federal Megul Corporation, Detroit, Mich. (500); Firestone Rubber & Metal Products Co., Wyandotte, Mich.\*; Monroe Steel Castings Co., Monroe, Mich.\*

Paper workers: Detroit Container Corporation, Detroit, Mich.

Textile workers: New York Mills, Inc., New York (375); Union Manufacturing Co., Union Point, Ga. (600).

Woodworkers: Booth-Kelly Lumber Co., Springfield, Oreg. (200).



Miscellaneous: Dorset Foods Corporation, New York, N. Y. (80).

#### INVOLVING INDEPENDENT UNIONS

Curtiss-Wright Corporation, Columbus, Ohio.—The Aircraft.\*  
Gulf Shipbuilding Corporation, Chickasaw, Ala. (800)—United Brotherhood of Independent Welders.

Peter Cailler Kohler Candy Co., Fulton, N. Y. (1,200).

It will be noted that six of the C. I. O. strikes occurred in Michigan.

From a morning paper published here in Washington I read the following, calling attention to the situation which exists today, and which is captioned by the President's statement Monday night, "We Shall Not Stop Work for a Single Day":

**WE SHALL NOT STOP WORK FOR A SINGLE DAY—FIRST OF THE "HIGH PURPOSES" FOR AMERICANS GIVEN IN PRESIDENT ROOSEVELT'S SPEECH MONDAY**

**THE ANSWER: PHIL MURRAY'S BOYS—5,000 REFUSE TO WORK 10-HOUR DAY IN WEST**

Labor controversies yesterday slowed up war production in a number of localities. Associated Press dispatches brought word of these interferences:

Five thousand Congress of Industrial Organization workers walked off the job at the Bethlehem Steel Co. yards at San Pedro, Calif., at the end of 8 hours and said they would refuse to work a 10-hour shift on the \$81,000,000's worth of Navy destroyers being built by the company.

Production was crippled at the Monarch Aluminum Manufacturing Co., Cleveland, engaged in producing bomb and aircraft parts, by Congress of Industrial Organization employees remaining off the job because they said they were being "terrorized" in the plant.

Striking Congress of Industrial Organizations employees of the Raiston Steel Car Co., Columbus, Ohio, were urged to resume work at once by a regional director of the National Labor Relations Board, who cited President Roosevelt's Monday night address in his appeal.

At the demand of the War Department, 350 maintenance and construction workers (American Federation of Labor) of the Union Electric Co., of Missouri, resumed work after a brief sit-down strike over transfer of two employees from one plant to another.

Seven American Federation of Labor men, held at Louisville for stopping a truck and trying to persuade the driver to join a strike, were warned by a Kentucky judge that "we are not going to have strikes here while the war is on if I can help it."

#### UNION URGED THREE SHIFTS

SAN PEDRO, CALIF., February 24.—Five thousand C. I. O. shipyard workers persisted today in their refusal to work more than 8 hours of a scheduled 10-hour day at the Bethlehem Steel Co. yards, where \$81,000,000 worth of Navy destroyers are under construction.

"The Government asked the company to operate 24 hours a day, 7 days a week," said Philip M. Connelly, State C. I. O. president. "Instead of putting on three 8-hour shifts, the company put on the two 10-hour shifts."

There was no change in the total number of men employed.

The C. I. O. workers left their jobs after 8 hours' work yesterday and continued the schedule today. A conference between union and Bethlehem representatives failed to bring an agreement. No statement was forthcoming from Bethlehem officials.

Earlier, union spokesmen emphasized that the workers were not striking.

C. S. Brown, Sr., union business agent, and Walter Brunnock, secretary, said all employees had been handed pamphlets reading: "Eight hours is a day's work under our

agreement with Bethlehem and the United States Government. Starting February 23, all men go home at the end of 8 hours, by unanimous vote of local No. 9. Any man who fails to comply with this order is subject to disciplinary action by local No. 9."

#### WAR PRODUCTION CRIPPLED

CLEVELAND, February 24.—A labor-management dispute today crippled war production at the Monarch Aluminum Manufacturing Co., wholly engaged in making aluminum bombs and aircraft parts.

Company spokesmen said production was cut in half by a controversy with the Congress of Industrial Organizations Mine, Mill, and Smelters Union. Alex Balint, union representative, asserted no strike had been called, but that 95 percent of the 150 day-shift workers voted yesterday not to return to work "until we can be assured we will not be terrorized inside the plant."

Balint added that the union seeks to represent employees and reinstatement of 12 Congress of Industrial Organizations members laid off. D. R. Gould, Monarch's secretary, declared the company is dealing with the Independent Aluminum Workers Organization, Inc., because this group was voted bargaining agent last September.

"The present curtailment is holding up important aircraft parts," Gould added. "We are getting pleas daily from Glenn L. Martin and other aircraft manufacturers for speedier delivery."

At the Philadelphia Navy Yard, where they are building ships to transport supplies to the soldiers, C. I. O., Local 420, has a contract with the company which calls for the payment of \$1.50 an hour for a 5-day week of 7 hours a day, with \$3 an hour for all hours worked over 35 in 1 week.

Notwithstanding that contract, the officials of the union called a strike in the yard's No. 4 drydock, said to be the largest in the world; and, when 17 steam fitters refused to violate their contract and go out on strike, the union refused to accept their dues, canceled their membership, and caused their discharge. Those men are now appealing to the court to protect them in their efforts to work for national defense.

Neither Germany, Italy, nor Japan is fighting this war on a 40-hour-a-week schedule. Neither is any one of them paying a wage and a half for every hour worked over 40 hours a week, and double pay for work performed on holidays and Sundays.

The losses sustained so far in this war by Britain and by us should bring home to us the cold, hard fact that we must cease our efforts to profit out of the war; that we should lay aside our selfishness. We should now be convinced that, when the war imposes additional burdens, calls for additional service, those burdens must be assumed and that service must be rendered without any attempt to nullify the effect of those burdens, those sacrifices, by insisting upon more compensation.

If we are to win the war, the 40-hour week must go, and we here at home, like the armed forces, must devote our whole time, all of our energies, toward efforts to win that war.

The President's statement, "We shall not stop work for a single day," are words of high purpose, but they are only words. They are not, and the principle

they state has not in the past been, backed by Presidential or congressional action. They are, after all, only words. They will be only words until this House asserts itself, passes legislation to remedy the evil, and insists that the other body take action.

We have no right in this House to attempt to influence the action of the other body, but we have the right, and it is our duty, to insist that it act. This House should insist—and we have the power in our hands to enforce our demand—that the other body act on the legislation which we have sent to it.

It is absurd to attempt to fight a war while, at the same time, denying to those who are laying the foundation not only for our defense but for our offense, the right to create, to produce, the things which are necessary if we are to win. It is foolish to talk about carrying the four freedoms to the uttermost corners of the world, while we deny to men here at home the right to earn a livelihood.

It is silly for this Congress to make appropriations of billions of dollars; to pass bills granting arbitrary and unlimited power to the Executive to carry on a war and, at the same time, follow a policy which denies to our citizens—ready, willing, patriotic—the opportunity to do their utmost in support of that war. That policy this administration is now following by playing politics with the leaders of organized labor; supporting them in their organizing campaigns, in their efforts to enrich their treasuries.

I appeal to the Members of this House to assert their independence; to act courageously and to adopt legislation which will free every American so that he may do his utmost in support of our fighting forces and to do it without first being compelled to pay tribute to, buy a license to work from, labor politicians who are seeking to profiteer out of this war.

Just as surely as day follows night, unless we remedy this situation, break the stranglehold which certain union leaders have on our country and which they are using to throttle, to shut off the lifeblood from our armed forces, the people will arise in their might and execute politically every man who has condoned this political, unpatriotic, un-American policy.

A far worse fate may await us. Our lack of foresight, our lack of courage, our unwillingness to face the facts and meet the situation may result in the loss of this war, the destruction of our national existence.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back 2½ minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, at first I was rather disturbed about certain provisions in this bill because the Judiciary Committee has undertaken to legislate on matters dealing with the naturalization of persons serving in the armed forces of the United States during the present war. This is a problem which should be, and has been, considered by the proper committee handling



legislation dealing with naturalization, namely, the Committee on Immigration and Naturalization. However, I shall support this measure. My committee has reported a similar bill, which was placed on the consent calendar a few weeks ago. When that bill is called on the consent calendar I will ask that it be withdrawn. I will support this committee bill which contains a similar provision.

The provision under title XI, page 17, of the pending bill is a worthy provision. It takes care of persons entering the service of the United States in time of war and it will give them the right, as the right was given in the last war, to become citizens of the United States provided they are otherwise qualified and believe in our form of government. This legislation is needed now because there are thousands of such persons seeking to enter the service of the United States and ready to defend this country with their lives and it is no more than fair that we should recognize those people who desire to become part and parcel of our defense program, and at the same time give them the right to become citizens of the United States without a lot of red tape.

Mr. Chairman, this is a worthy provision and it ought to be enacted into law at the earliest possible moment. The Committee on Naturalization wishes this committee godspeed and will support their bill.

(Mr. DICKSTEIN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. SUMNERS of Texas. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, may I say at the outset that this bill, in my judgment, is an excellent one, and to the distinguished chairman of the subcommittee the Honorable CHARLES F. McLAUGHLIN, of Nebraska, and to the distinguished chairman of the full committee, Hon. HATTON W. SUMNERS of Texas, and to the membership of the Committee on the Judiciary on both sides of the political fence, this House and the Nation owe a real debt of gratitude for a hard job well done. Every word of this bill has been studied and I believe that a microscopic examination of it will verify and justify the favorable report of the Committee on the Judiciary.

Much to my surprise, the fight has been quite vehement on title IV, but that attack has been so completely repelled by those who have met it already in this debate I feel there is nothing further to be said, especially by a country boy from Alabama who knows nothing whatever about money except that it is awfully hard to get and harder to keep. May I, however, as a humble member of a great committee that has held full hearings on this bill, add that it seems to me we should be happy to have the privilege of voting for title IV, as well as for the other titles of this bill, because it is infinitely more important to preserve this Nation and its credit than it is to preserve the control of the bond market by the big banks and brokers of

this country. There are two commissions here involved: One, to get the Treasury's offering into the market, and, the other, to buy it out again. Two commissions under the present status of such affairs, that has existed only since 1935, which amount to "big money," even in these days, because of the huge size of the war issues.

If we revert to the old, time-honored system, by adopting title IV, a purchaser under no compulsion from the Treasury, the Government, or any other influence, may freely and voluntarily deal with the authorized agency of our Government, offering any issue of bonds for sale and buy such bonds as may be desired, directly and without commission. Why not? Why should we force the payment of tribute to the kings of the money market for the artificial privilege of lending our own Government the money needed to win the war? The hearings verify our common sense demand that this be done. Testimony proves that this may be the only way to preserve the credit of this Nation beyond question, in view of the terrifically large offerings that will have to be made.

This title IV is not in the interest of anybody except the people we are supposed to represent. This is not against the interest of the rank and file of the banks. They pay tribute also, and would be freed of this exaction by title IV to a great extent. We have no particular quarrel with the economists. Of course, they favor the system they set up. But, they must give us more reason to maintain this, their playhouse of power and profits, than their unsubstantial professional opinion.

The theme song of the money market is the same as it has been since the days of Andrew Jackson. What we are saying is that in this emergency, and only for the duration of the emergency, there may be some in this country not under the influence of the dominant factors of the world of finance who can help Uncle Sam win this war by stabilizing the bond market through direct, independent, timely buying.

Mr. KEEFE. Will the gentleman yield?

Mr. HOBBS. I will be so happy to yield to the distinguished and able gentleman from Wisconsin.

Mr. KEEFE. The facts demonstrate, I believe, that this very provision was in the Federal Reserve Act up to 1935.

Mr. HOBBS. That is right.

Mr. KEEFE. I have heard no one make a statement on the floor of the House as to what reason was asserted as to why that provision was taken out in 1935. Will the gentleman discuss that?

Mr. HOBBS. I will answer the gentleman's question, and I appreciate his asking it. It was put in, as it has been put in every time that any such encroachment upon the rights of the people has taken place, at the behest and under the influence of the bankers and the brokers who dominate the bond market. I thank the gentleman for the suggestion, and may I point out, also, that up until 1935 it was the law and throughout the whole history of the Federal Reserve System

there was never one complaint registered against the way the power was used.

I want to get down to a discussion of the amendment which I feel compelled to offer. May I say, in the first place, that my good friend the gentleman from Iowa [Mr. GWYNNE] is one of the ablest and soundest lawyers in this body. Only occasionally do we catch him off first base. He was inadvertent today when he said that this right of eminent domain is a constitutional right. Of course, he knows better. It is not a right that arises from the Constitution; it antedated the Constitution and is inherent in sovereignty. Being an attribute of sovereignty, there was no need for it to be granted in the Constitution, nor is it so granted. I stand on that statement.

There is in the Constitution a restriction upon that right of sovereignty, to wit, that no private property may be taken for public use without just compensation. That is what we are talking about. We are not here debating whence the power of eminent domain arises. It arises out of and is inherent in the sovereignty of every free government. We not only do not dispute the existence of that right, but we say that right should be exercised in this emergency or in any other emergency when the need of the public demands it, and that it is not only a right but it is a solemn duty to use it, and to do it as expeditiously as possible. Therefore we in the past, and also in this bill, have extended that right so as to couple with it the right of immediate possession whenever the need to take private property for public use is established.

Mr. GRAHAM. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Most gladly I yield to the gentleman from Pennsylvania.

Mr. GRAHAM. The use of the three words "temporary use thereof" indicates a deviation from the standard approved condemnation, which is for the permanent occupancy and use.

Mr. HOBBS. Possibly so, but I think temporary use has always been included in the power of eminent domain.

Mr. GRAHAM. This contemplates a reversion. What will happen to a man who owns a plant and has built up and established good will if, when the time comes to get it back, he has it sold from under him?

Mr. HOBBS. The gentleman poses a question which is not easy to answer from a theoretical standpoint, and I believe that only from a theoretical standpoint will it ever arise. Practically all laws are good or bad as they are administered well or ill. Therefore that question should never arise in practicality if the act be administered wisely, as we hope it will be.

I am coming now to the point I wish to stress. I want to make it clear that we have no quarrel with those who assert the existence of the right of eminent domain. It existed before the Constitution. It existed after the Constitution as limited by the fifth amendment. It still obtains. It must be maintained. We are saying that it has not been administered in accordance with the manifest purpose of the fifth amendment.



"Just compensation" means exactly that. It can never mean less. Inadequate compensation is not "just compensation." For instance, you own a factory, as was the case down at Norfolk, Va. I hold no brief for the management of that plant. I am simply pointing out the most exaggerated case we have before us. There was a gear cutter. The Government wanted it and sought to purchase it. The management said, "If you take our gear cutter, it will shut down our entire plant. Therefore I will not sell you the gear cutter."

Now the Government under this bill could go into the plant and take the gear cutter and pay for the gear cutter, wholly without reference to any other damages that might proximately flow from the taking. What we are saying is not that the Government ought to buy the whole plant, not that the Government ought to pay any remote or speculative damages, any damages of anticipated profits or what not, but that if the Government takes a gear cutter, which right we say the Government should have, the owner should be paid the damages which proximately result from that taking, as well as the fair market value of the thing in itself.

What do we mean by that? Bear in mind that we say the proximate damages, not the consequential damages but proximate damages, those which inevitably and directly flow from the taking. To be concrete, we say, "If you take this man's gear cutter you ought to pay, in addition to its reasonable market value, what it will cost him in the open market to get such gears cut as he may need in the operation of his business."

The testimony in that case, I believe, was that he did not use this gear cutter more than a few times a year, at a small cost per operation. You would not shut down his plant if you would agree either to cut the gears that he needed or to pay the fair market value of having them cut during the time that you had removed his gear cutter from the plant.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I would be delighted to yield to the distinguished gentleman from Kentucky.

Mr. ROBSION of Kentucky. The gentleman assumes that that man cannot obtain a gear cutter at this time.

Mr. HOBBS. If it were obtainable in the market the Government would have no right to take it. It is the fact that we are in an emergency, at war, that creates the necessity and enables the Government to take it. If it could be gotten in the open market, of course that condition could not be said to obtain, and the Government could get it just as easily or more easily than he could.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am so glad to yield for a question.

Mr. KEEFE. Will the gentleman address himself to the provisions of title II, especially lines 16 and 17? I am not quite sure that I understand the gentleman's position as to exactly what that language means where it states that the

Government may acquire by condemnation any real property, the temporary use thereof, or other interest therein.

What is contemplated in the event the Government seeks to condemn the temporary use of real estate or personal property or seeks to condemn some undefined, illusory other interest therein? What is meant by the language of that statute, so that we shall know what we are voting for? I confess to be ignorant on that.

Mr. HOBBS. I think the language is so strong as to make the gentleman's question one that should be answered, but I have not the time in which to do it. I will say this, that as far as that goes, and its scope is almost unlimited, in the face of this national emergency and toward the winning of the war, we are willing for our Government to take any rights that they may need for the prosecution of this war. If under your land there be underlying deposits of tin, the Government ought to have the right to take it. If there be any other mineral rights, any other water rights, or any rights at all that are necessary for the winning of this war, then the Government ought to have the power to take such rights.

Now, then, please let me conclude.

My amendment would require of the Government in the exercise of its right of eminent domain only what the fifth amendment of the Constitution requires, but what in many cases has been ignored. The law is clear. The taking is perfectly proper. But "just compensation" frequently is not paid.

We could not change the Constitution by the passage of the pending bill if we would. We would not if we could. But we can so amend it as to call the attention of those administering this drastic power to the requirement of the Constitution. That is what, and all, my amendment seeks to do.

[Here the gavel fell.]

(Mr. HOBBS asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I ask unanimous consent to proceed out of order for the 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Chairman, I also ask unanimous consent to have my remarks follow the remarks made this morning in connection with the scrap-iron bill which is H. R. 6531.

The CHAIRMAN. Permit the Chair to suggest that the Chair believes that request should be made in the House and not in Committee of the Whole.

Mr. REED of New York. I assumed that that might be true.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

[Mr. REED of New York addressed the Committee. His remarks appear earlier in today's proceedings.]

Mr. SUMNERS of Texas. Mr. Chairman, I now yield 5 minutes to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? There was no objection.

Mr. SWEENEY. Mr. Chairman, for a long time prior to December 7, 1941, this Chamber and the Nation in general was hopelessly divided on questions of international policy and foreign war involvement. Exercising the constitutional right of free speech, various schools of thought honestly expressed sincere convictions, demonstrating to the world our American way of life. Then came the vicious attack by the Empire of Japan upon our sovereign territory at Pearl Harbor. Overnight we became a united people. The people's branch of our National Government, the Congress of the United States, met the challenge of Japan, Germany, and Italy and the puppet governments embraced in the Axis orbit by the declaration of war against them. Every true American wants to see the war fought to a victorious conclusion, so that the governments of, for, and by the people shall not perish from the face of the earth. During these critical days every American worthy of the name will do everything possible to insure national solidarity and national unity. This does not mean that we should refrain from honest criticism concerning the conduct of the war, or cease to keep in mind the welfare of our armed forces, or refrain from exposing those individuals or agencies who would profit excessively by war contracts. Just as the National, State, and local governments should crack down on subversive activities designed to give aid and comfort to our enemies, so should we crack down and expose those agencies which would disturb our national war efforts by an attack along the home front, which can have but one result—division and chaos. I am referring specifically to the efforts of some of our misguided individuals and organizations in attempting once more to lay the foundation for national prohibition. A few days ago the New York Sunday News published the startling news story that one Edward Page Gaston, generalissimo for the World Prohibition Association, was operating an underground campaign for national prohibition from room 153 in the Old House Office Building, on Government property. This organization is made up of the old Anti-Saloon League, the Methodist Board of Temperance, and kindred organizations. It is described in the newspaper article as a holding company for over 100 antiliquor outfits. I shall seek leave of the Chairman to append to this speech the newspaper article from which I have just quoted, together with a timely editorial on the subject from the same newspaper.

This modern Wayne B. Wheeler who heads up this outfit, implies that our armed forces at Pearl Harbor on December 7, 1941, were not on the alert because they were under the influence of intoxicating liquor, and capital is being made



cut of this scurrilous charge to advance the cause of national prohibition. Such a foul aspersion cast upon our living and dead heroes of Pearl Harbor must not go unchallenged. The Roberts Report made careful inquiry into this subject matter of drinking, and reported that in the entire vicinity of Honolulu, on the eve of December 7, 1941, there were only 36 individuals of the Navy and Army forces arrested because of drink, as against 39 civilians arrested for intoxication on the same evening in the same vicinity. Such a charge is unpatriotic and deserves to be exposed as such.

Gentlemen of the Congress, I hope to God you have not forgotten the horrible nightmare of national prohibition. The noble experiment that lasted for 12 long years. Twelve years of terror under crime, lawlessness, and bootlegging of all kinds, the effects of which despite repeal, have not been wholly obliterated. Mr. Speaker, I came to the Congress in 1931, resigning from a judicial post in the city of Cleveland, to fight the evils of national prohibition. I joined forces with my then colleagues, Fiorello LaGuardia, now the mayor of New York City; Congressman John J. O'Connor, of New York, late chairman of the Rules Committee; and a handful of liberal Members who were determined to break the backbone of the national prohibition. In the second session of the Seventy-second Congress we were able to force a test vote, the first one in 12 years on a modification of the Volstead Act, and the repeal of the eighteenth amendment to the Constitution. The result of these votes indicated that the majority of the people of the United States were sick and tired of the lawlessness brought about by national prohibition. I was a delegate to the Democratic National Convention in Chicago in 1932, and helped to nominate Franklin D. Roosevelt for President. His campaign acceptance speech at the convention calling for the outright repeal of the eighteenth amendment and the Democratic platform pronouncement of the same subject, won more votes for Franklin Roosevelt than any other issue in that campaign.

Mr. Chairman, national prohibition was sneaked into law when millions of our soldiers and sailors were fighting in the last World War. Over 2,000,000 of our boys were in Europe at the time the Congress voted prohibition. They have never forgiven the legislators of that day for such cowardice in denying them the right to vote on that issue. Hundreds of liquors and wine distilleries and breweries were put out of business, together with thousands of wholesalers and retail liquor, wine, and beer dealers, without receiving a cent of compensation for their property or their personal business. The ranks of the unemployed grew in proportion, but worse yet, we gave birth to the gangster, the bootlegger, the murderer and the kidnaping racket, not forgetting the tremendous loss of millions and millions of dollars in taxes suffered by the States and the National Government. Now it appears that a serious attempt to bring back national prohibition under the guise of patriotism is once more at hand. I call upon the Speaker and

the committee in charge of buildings on Capitol Hill to investigate the activities of Edward Page Gaston in using the Government services and property to promote his racket of national prohibition. My own independent investigation discloses that he utilized the mimeograph services of the Minority Room 153, Old House Office Building. Let this agitator, who seeks to divide the American people on this issue during wartime, move once more across the Plaza to the Methodist Building, which is not public property and which was the headquarters of the Anti-Saloon League during the 12 years of Hell known as national prohibition. Unless he does, some of us will carry the fight to the Nation. The liquor, wine, and beer industries in the Nation pay in excess of \$1,140,000,000 in taxes to Federal, State, and local governments. They will pay more as the war continues. The wholesale and retail venders of liquor, wine, and beer are patriotic citizens. They don't want to see their life investments and means of livelihood destroyed as it was before. They and the operators of distilleries and breweries, together with their thousands of employees are united in our war effort. I call upon the liberal forces of the United States of America. I call upon the advocates of law and order. I call upon the armed forces of our country, who are now making every effort to win the war, and if necessary the supreme sacrifice, to rally their forces now, before it is too late, to drive back the forces of disorder and deceit, who are getting ready to double-cross our soldiers and sailors and defense workers, under the guise of patriotism. Do not let the advocates of national prohibition pull a Pearl Harbor, like the sneaky Japs. If the liberal forces of the Nation are on the alert, it cannot happen again in this generation.

[From the New York Sunday News of January 11, 1942]

#### DRYS PLAN COUP FOR WARTIME PROHIBITION

WASHINGTON, D. C.—A double-barreled drive, master-minded right from Capitol Hill, to impose prohibition on wartime America, has gained such momentum that its sponsors are confident of success. Using surprise tactics, they expect to present their legislation to Congress early in the new session. They have meanwhile quietly obtained pledges of support from key Senators and Representatives.

Headquarter of the underground campaign is room 153 in the old House Office Building, occupied officially by Marshall W. Pickering, caucus-room minority messenger. Ensnored in the room now, however, is Edward Page Gaston, founder of the World Prohibition Federation.

Through its consultative committee, this organization functions as the "holding corporation" for such powerful dry lobby groups as the Methodist Board of Temperance and kindred church bodies, the Anti-Saloon League, the Woman's Christian Temperance Union, the American Businessmen's Research Foundation, the National Reform Association, and more than 100 similar agencies.

#### HERE'S PLAN OF ACTION

In Pickering's office Gaston avails himself of a mimeograph machine and the services of three or four girls who mail out his organization's propaganda. The rent of this office, of course, is paid for by American taxpayers. As outlined by Gaston, the drive to make America dry will consist of two steps:

1. Enactment of Senate bill 660, banning the sale of liquor to our soldiers, sailors, and marines.

2. Passage of Joint Senate Resolution No. 21, providing for blanket prohibition.

Gaston's analysis of the necessity for these measures and the chances of their adoption by Congress is as follows:

"Taking first place as a means for national defense is Senate bill 860, introduced by the late Senator, Morris Sheppard, of Texas, to protect our soldiers and sailors from disease and drunkenness. This measure is now sponsored by Senator EDWIN C. JOHNSON, of Colorado.

"At the first favorable opportunity we expect to bring it up for final passage. Reform forces are pressing for an early vote. This Sheppard-Johnson bill is giving the powerful liquor lobby at Washington deep concern, as its probable passage will sweep great areas of the country into dryness under military and naval enforcement. Few legislators dare vote against it.

"Passage of the Sheppard enabling amendment (Joint Senate Resolution No. 21) would bring in national prohibition at once if adopted by a bare majority vote in Congress, where it could be passed over the Presidential veto, if exercised."

Gaston declares the United States "must take warning from France, whose collapse in 1940 was largely due to alcoholism."

[From the New York Sunday News of January 18, 1942]

#### HAPPY NEW YEAR FOR GANGSTERS

As reported by Fred Pasley to this newspaper a few days ago, and as expected by a lot of people for a long time, the drys are trying to stage a comeback on what they hope is a wave of wartime hysteria.

One Edward Page Gaston, brother of the late anticigarette lady, Lucy Page Gaston, is running an undercover drive for wartime prohibition from an inconspicuous little office in Washington. His World Prohibition Association is described as a sort of holding company for more than 100 antiliquor outfits, including the Methodist Board of Temperance, the Anti-Saloon League, and the Woman's Christian Temperance Union—member?

Gaston hopes Congress will pass two measures he and his cronies have drawn up—Senate bill 860, to forbid the sale of liquor to soldiers, sailors, and marines; and Senate Joint Resolution 21, providing for complete national prohibition.

The first of these two measures, says Gaston, will "protect our soldiers and sailors from disease and drunkenness." The second is "much simpler than the previous eighteenth amendment, and would have a greater prospect of enforcement by the present sweeping change in public sentiment."

He intimates that our armed services in Hawaii at the time of the Pearl Harbor attack were not only not on the alert but were getting over a large collection of hang-overs as well, from the previous Saturday night. Gaston feels that the American people are highly indignant over the episode, as he describes it, and want prohibition back again.

He isn't ballyhooing the proposition to the allegedly indignant people, however. Rather, Gaston is quietly drumming up pledges of votes from Senators and Congressmen, and the plan apparently is to slip prohibition over on us some day when we aren't looking.

#### BACK TO DRY ERA?

If this plot succeeds, we shall go through the same miseries and break-downs of law and respect for law that we went through before.

Wartime prohibition will not "protect our soldiers and sailors from disease and drunkenness." It will only force them to drink liquor of unknown quality, instead of liquor passed by Government inspectors.



And it will be a step toward making Boy Scouts instead of fighters out of our soldiers and sailors. Liquor goes with war; always did, and for a reason grounded in the human mental and physical make-up. Fighting men need liquor's relaxation, and nothing else will give them that relaxation. The British for generations have had a navy whose fighting qualities nobody has ever questioned—and British sailors get a daily issue of grog out of big barrels captioned in big letters: "The King, God Bless Him."

As for Gaston's hope that prohibition can be enforced better this time on civilians, of course it can't. Most of us learned the technic of beating the prohibition law during the 1919-33 dry era, and practically all of us lost any respect or fear we may once have had for laws which seek to tell citizens what they may and may not put down their own personal throats into their own personal stomachs.

The bootleggers will simply get going again faster than they did before. Rum-running and "hijacking" gangs will quickly organize and start shooting one another's members, kidnaping ditto, corrupting police and public officials, and selling uninspected liquor and needled beer to all comers. Add this strain on our social system to the many strains of the war effort, and it is more than likely that a second go at Federal prohibition will wreck the country entirely.

A renewal of Federal prohibition will do government of all kinds out of a lot of money at a time when government of all kinds badly needs money. Liquor taxes paid to Federal, State, county, and city governments now total about \$1,140,000,000 a year.

Life without liquor may be better than life with liquor. We don't know, not having tried it for years.

We are convinced that the majority of Americans do not want to try it and will not try it \* \* \* that wartime prohibition or any other kind of prohibition will be a mistake for which we shall pay through the nose \* \* \* and that the only people who have cause to be cheerful over this renewed drive for prohibition are people of the stripe of Al Capone and the late Dutch Schultz.

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I shall address my remarks to title III, page 17, with reference to the provisions to naturalize men who have served in our Army:

Notwithstanding the provisions of sections 393 and 326 of this act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized upon compliance with all of the requirements of the naturalization laws except that (1) no declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required.

Then turning over to page 19, section 702, we read:

During the present war, any person entitled to naturalization under section 701 of this act, who while serving honorably in the military or naval forces of the United States is not within the jurisdiction of any court authorized to naturalize aliens, may be naturalized in accordance with all the applicable provisions of section 701 without appearing before a naturalization court.

I shall not read the remaining part of this title, but I call the attention of the committee to the possible wide application of this provision. Its application can be very broad and cover a great deal, much more, I believe, than the Congress intends.

To make sure of my position in the matter, I took it up with certain authorities in the War Department, who confirmed my interpretation of the provision I am discussing.

Suppose we have a division of soldiers in some other part of the world—let us say in France or China. Under the proposed law, a national of either of those countries could enlist in the Army of the United States, join our division, and after serving a certain length of time, if he chose to do so, could virtually automatically become a citizen of the United States. I do not believe the Congress intends to pass an act of this kind. It would upset and destroy our whole body of immigration laws.

Another interesting question could arise here, that of race and color. Let us say that in France there are 100 Frenchmen who enlist in the United States Army, assuming our Army can get into France. They serve a certain length of time and, if they so desire, virtually automatically become citizens of the United States. Over in China a hundred Chinamen enlist in the United States Army, supposing we have forces there, yet though they may, at least in their own way of looking at the matter, serve as well as the Frenchmen, yet under our present laws could not, because of color and race, become citizens of the United States. I do not believe we want any such question as this to arise, especially at the present time. I believe this act should apply only to aliens who are in the United States.

Think of the possibilities of an act of this kind. If my interpretation of it is correct, and I think it is, it would be possible for a division or a regiment of ours in any country where it might be located to take any number of foreign nationals into the United States Army, and thus automatically make them citizens of the United States.

I wish the Committee would give serious consideration to this title, and I hope someone will offer an amendment to correct it. If this is not done by another, I expect to offer an amendment to limit the provision to aliens within the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, the granting of permission to the Federal Reserve System to buy United States securities direct from the Treasury, as provided in the pending bill, has the endorsement of such a conservative newspaper as the New York Times, which recently said editorially:

The second war powers bill, in authorizing the Federal Reserve System to make purchases of Government securities directly from the Treasury, instead of exclusively through the open market, does not break

new and untried ground. It would merely restore the old familiar instrument of money-market control which the Reserve System regularly employed in the tight money days of the 1920's, but which was taken away by the Banking Act of 1935.

Now, let us see the purpose of this change. If securities were offered by the United States Treasury in the open market in a time of military defeat a soft market would result and cause other owners of bonds to dump their holdings, thus further depressing the market price of bonds. Such a situation might compel a higher interest rate, and such an increase in interest rate would in turn cause other security holders to dispose of their bonds because they would wish to seek the higher interest rate. This would cause a highly unstabilized market situation. Direct sale to the Federal Reserve banks would avoid all these depressive effects.

Now, after Pearl Harbor the United States Treasury was about to raise money and it faced a market that was naturally not favorable. Now, exactly what was done to meet this situation? In order to remedy the disastrous results the Treasury agreed that the purchasers of these securities at a set price, mutually agreed upon, would be protected in that the Federal Reserve System would immediately purchase those same bonds at a similar price. This indirect method of stabilizing the market was necessary because the Federal Reserve System could not purchase direct from the United States Treasury.

Now, we realize that the change is hurtful to dealers in bonds, because they lose the commissions which would be theirs if the Treasury Department sold its securities only in the open market. This is where the complaint comes against this bill, but the demands of the emergency are paramount and must be satisfied.

This provision is sound and it ought not to be weakened or crippled by amendments limiting the powers granted in this act to the Federal Reserve System.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. THOM. I yield.

Mr. HINSHAW. I do not fully understand the operations of this Federal Reserve System in the matter of purchasing Government bonds. What do they use for money or credit in the purchase of these bonds? Where do they get it?

Mr. THOM. The Federal Reserve System?

Mr. HINSHAW. Yes.

Mr. THOM. Well, the Federal Reserve System has all the time plenty of resources with which to purchase bonds.

Mr. HINSHAW. What are their resources?

Mr. THOM. Their resources, among others, are the reserves deposited with the Federal Reserve banks by various member banks all through the United States, the original capital stock with which they began business, plus gold



certificates, plus the power to issue Federal Reserve notes as provided by law.

Mr. HINSHAW. Can the gentleman tell me how much that totals right now? I am curious to know.

Mr. THOM. I am not able to answer that.

[Here the gavel fell.]

Mr. GYWNE. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made earlier today.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania, [Mr. DITTER].

[Mr. DITTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. DITTER asked and was given permission to revise and extend his remarks.)

Mr. SUMNERS of Texas. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from Texas has 17½ minutes remaining, the gentleman from Kansas 15½ minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, the first thing I would like to do is to answer more completely than I think it was the question of my colleague from California about the source of funds for the Federal Reserve banks, and I would like to read to him from a paper written by Mr. Goldenweiser, the Chief Research Director of the Federal Reserve Board, wherein he states:

A Reserve bank derives the funds available for its loans and investments from powers conferred upon it by Congress. The capital it has is prescribed by Congress and constitutes a small part of the funds at its disposal. The other source of funds of the Reserve banks is its power to issue notes and to accept and create deposits.

The truth about the matter is that when the banks purchase Government bonds they purchase them with deposits created for the purpose. But I want to speak to the point of the gentleman from Michigan earlier in the day when he said that if title IV of this bill were enacted we would then be tying our currency to the public debt. My contention is, and I am sure I am correct, that we have already done so to a very great extent indeed, because it is also true that when a commercial bank purchases Government bonds, as they do in considerable amounts, they purchase those bonds with book credits which are also new money created for that purpose.

Thus, again in that case our money is tied to the public debt. I agree heartily that our money should not be tied to or dependent upon evidences of public debt. My own belief is that there is no harm in title IV as such. It will not increase measurably the danger of inflation, which is always inherent in any system which permits thousands of private banks to claim ownership of the public credit and expand our fractional reserves. I would point out, however, that the sale

of defense bonds to individuals who give up purchasing power to buy them is a counter inflationary movement, but that the sale of any kind of bond to any bank, Federal Reserve or otherwise, which creates the money with which to buy the bonds has a tendency to expand the amount of money in circulation. Finally I would like to say in connection with this matter that it seems to me, in view of the fact that the Federal Reserve banks and Board derive their power to buy these bonds from a power given them by the Congress itself, that the banks are banks of issue exercising a power that belongs rightfully to the people's Congress; therefore it is economically indefensible that these banks, privately owned as they are, should collect interest on the bonds they purchase with newly created money or credit on the books. I shall therefore offer an amendment to that title of the bill to provide that such interest as may be paid on bonds bought directly from the Treasury shall be repaid by the Federal Reserve banks to the Treasury annually.

[Here the gavel fell.]

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, the gentleman from Iowa referred all too briefly to one of the provisions of this act, which I would like to comment upon in the short time allotted me. It is the portion of title VII entitled "Political Activity," found on page 15. As I read it, the effect of that provision is to include within the provisions of the Hatch Act members of the selective-service and training boards set up all over the country under the selective-service law.

There are 6,500 of those boards, and in addition to the membership on the 6,500 boards, there are appeal agents in the districts and the States heading up to what might be termed "a court of last appeal" here in Washington. I am not sure that the Hatch Act has been construed already as including members of the selective-service boards. I have not heard any announcement about that from anybody. I hope they have not. However, this particular title makes it certain that they will be hereafter subject to the provisions of the Hatch Act.

I may have a misconception of the selective-service law or the fundamentals upon which it is founded. In my view, it presents to the country a great ideal, and in the attempt to reach that ideal the law is careful to decentralize the administration of it back to the communities themselves. The members of these draft boards in each of the draft districts are residents of the district. They are nominated by the Governors of the States to the President, and without exception the President accepts those nominations. The Governors in most instances—they vary, of course—invite the advice of the county judges, of leading citizens in a community, who in turn invite the most prominent and trusted citizens in those respective communities to serve as members of the local draft board. They respond to that call. They regard it as a duty so to do. Many of them, an overwhelming majority of them,

sacrifice a great deal in time and effort in the performance of the duty. They do that without any salary. They have no perquisites and no appointing authority whatsoever. They are merely citizens who occupy a place in this great American effort to create an army and a navy worthy of the Nation. They do it imbued with a purely democratic spirit.

It strikes me that a provision such as this, which decrees that members of local draft boards shall be placed in the same category as political appointees working for salaries, would be an unfortunate thing.

Mr. HANCOCK. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New York.

Mr. HANCOCK. Does the gentleman think it would be wise to permit candidates for office and local political leaders to sit on draft boards? What would be the effect on public confidence, even though these people are honest? They have tremendous powers over the lives of the boys of this Nation. If candidates for office are to be permitted to pass upon the eligibility of boys for the military service, what would be the effect on the public confidence?

Mr. WADSWORTH. Let us assume that a member of a draft board becomes a candidate for a political office. The law provides that he may be removed on the recommendation of the Governor, and he is removed. Every time one of them is apprehended in anything that is of suspicious character he is removed. I do not like to see the stigma of political appointment and patronage seekers placed on members of these draft boards. It breaks down the whole ideal of the system and the conception of it which our people have.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I hope the idea of the distinguished gentleman from New York [Mr. WADSWORTH] will be discussed more fully later on, because I have always been inclined to the same view he has about the inclusion of members of the appeal boards under the Hatch Act. But that is not the point in the bill I want to discuss at this time.

Mr. Chairman, I desire to mention two things in connection with title IV of this bill that have not been brought out very clearly. One protection that is in the Federal Reserve Act that might allay any fears about inflation that some people suppose might result from this amendment is the fact that the present Federal Reserve Act requires that once a week a public statement giving a full and complete financial picture of transactions shall be published, so that there will not be any way for the Treasury Department and the Federal Reserve Committee to connive—which, of course, would never happen—in order to have a lot of bonds sold secretly to the Federal Reserve banks that the people do not know anything about.

The second point I think a great deal of significance should be attached to is the fact, as brought out by the gentleman



from Ohio [Mr. THOM], that we are not only legislating in connection with bonds that will be issued hereafter but we are also legislating as to bonds that the people of the country now own. If bonds of the United States should be forced on the market at a time of distress, such as the days following Pearl Harbor, it would have not only a bad effect on that issue, but upon the entire market, and might cause many people to throw their bonds on the market. Of course, you know what happens when a cycle like that starts.

The third point is that Senator GLASS in 1935 initiated the amendment which put in the open-market provision. Of all of our public officials, Senator GLASS, in my opinion, probably knows more about the Federal Reserve System than any other. The reason that Senator GLASS is now in favor of going back to the provision as it was before 1935 is that he realizes that we must have a stable market and that the 1935 provision might not work so well during a time of crisis. It was changed in 1935 because the Federal Reserve Open Market Committee was created at that time and had the power, either through duress or persuasion, to require the Federal Reserve banks to take Treasury issues. The only reason for the change now is to maintain a stable market and to prevent any fluctuation in price.

The other matter I want to discuss is the so-called Hobbs amendment which would change the method of paying compensation for private property that may be taken. It would change the method that has been followed in this country since the adoption of the Constitution, the Fifth Amendment, which provides that just compensation shall be paid. The Hobbs amendment would allow the payment of something in addition to just compensation.

In the first place we cannot all expect to come out whole in this war. Anybody who has the idea that we can pass legislation to make everybody even and to keep anybody from having to sacrifice has a terribly mistaken idea about what this war means. So I cannot see how we can vote or seriously consider voting for any amendment which will require our Federal Government during this time of great peril to pay more for property than the private utilities and the States pay in the exercise of eminent domain. They pay and the Federal Government pays under the general definition of just compensation.

Another reason is that the Department of Justice through its land acquisition section, either by negotiation or by condemnation suits, has purchased thousands and thousands of acres of property from thousands of property holders. Many of these people feel that they did not get ample compensation. If we should change the rule now as to the amount of compensation we are going to allow hereafter, every one of these people who have been settled with or who have been litigated with would feel that they had a just complaint. And they would come here and ask that the law be made retroactive, or they would feel justified in asking for the filing of a claim

bill to be paid additional compensation.

The law of compensation based upon just compensation has been built up case by case ever since the adoption of our Constitution. It allows damage for severance, but it does not allow remote or indirect damages. I think the Government and the Department of Justice have been very reasonable in taking into consideration all elements of damage in making settlements with people. They have had to litigate only a very small percentage of their cases, some 2 or 3 percent, so that the matter is being handled very satisfactorily. Of course, there are some people who have just grievances.

I think we would be making a great mistake if we changed the rules of the game in the middle of this war.

The part of the law about requisitioning personal property is intended to apply only where there is some recalcitrant person or corporation who will not negotiate with the Government as to what a reasonable price is. The law as it is written here certainly takes care of that situation.

[Here the gavel fell.]

(Mr. KEFAUVER asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. GUYER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, the proponents of the bill under consideration urge its enactment into law on the grounds that its various provisions are necessary for the national defense. Assuming that to be the case what I am about to state is absolutely germane to the bill.

A highway running through British Columbia connecting continental United States with the Territory of Alaska is, and always has been a national defense necessity.

One of the many mysteries in national defense preparedness is the endless delay in the consummation of an air land connection between the main body of the United States and its Territory of Alaska.

The first action taken by Congress with respect to this proposed highway, was the passage of an Act in 1930 authorizing the President to have a study made of the subject. A commission was appointed which made a report in 1933. The Canadian National Government at that time made it known that it was not interested. Following that report, Congress passed a law approved August 26, 1935, authorizing the President to negotiate and enter into an agreement with the Government of Canada for the construction of this road. Our State Department had extended conferences with the representatives of the Government of the Dominion of Canada, but absolutely without results. The Government of Canada made it manifest that it was not interested in the construction of the road under any conditions.

On May 31, 1939, Congress passed and the President approved a third act authorizing the creation of the present Commission, but up to the present time without results. The Canadian Government again disapproved the project.

It took the treacherous assault of the Japanese upon Pearl Harbor to bring this country and the War Department to a full realization of the strategic and military importance of this highway. Up to date it has not been ascertained whether Canada still maintains the same indifference or opposition to this road, which will mean so much to the security of both nations.

President Roosevelt, in a speech at Kingston, Ontario, Canada, on October 18, 1939, stated:

I give to you the assurance that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire.

This assurance was given Canada 1 year before it declared war on Germany. Today we are Allies, fighting for a common cause. The security of this country means the security of Canada.

It has long been known that Alaska is the most vulnerable part of our Pacific defense triangle, extending from the Aleutian Islands and Hawaii to the Panama Canal Zone. There should be no delay in building this road, so badly needed as a supply line to supplement the slow and uncertain water route and the inadequate air transport service.

Our military authorities realize now more than ever that Japan's flanking route to the United States via Alaska is 1,400 miles shorter than by Hawaii. It is known, of course, that Japan's Paramushiro base is only 750 miles from the American Aleutians. Should Japan attack Russia and by chance take the Kamandorski Island base, she would be only 260 miles from our Territory. The Bering Strait stepping stones of the Siberian and Alaskan Diomed Islands are less than 3 miles apart, which is proof positive of the necessity of this highway, which some of us from the west coast have been advocating for years.

There are apparently no major engineering barriers to surmount. It is estimated that a gravel road approximately 1,200 miles long and 24 feet wide could be built under pressure in from 12 to 18 months, at a cost of \$50,000,000.

The winding and unwinding of diplomatic red tape in dealing with this vital necessity should cease once and for all. The very recent attack by a Japanese submarine on the mainland of the Pacific coast should remove all objections to this important military highway.

Mr. GUYER. Mr. Chairman, I yield 5½ minutes to the gentleman from Virginia [Mr. SMITH].

(Mr. SMITH of Virginia asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. SMITH of Virginia. Mr. Chairman, when this bill was before the Committee on the Judiciary I appeared in the interest of the subject matter concerning which I expect to offer an amendment to this bill tomorrow during its consideration under the 5-minute rule. In the hearings on this bill there was some discussion on the subject.

The amendment which I shall offer proposes to suspend during the period of the war all the various and sundry 8-hour laws and 48-hour-week laws that are now



handicapping every branch of our war effort. I expect some of you would be surprised, and I was very much surprised, to find that in order to cope with this subject it is necessary to suspend the operation of 17 different acts of Congress which from time to time, running back over a period of 20 or 30 years, have undertaken to put a limitation on the time for which a man may be employed. For the information of the House, I have prepared the following analysis of these various and sundry laws:

1. The act of July 2, 1940 (title V, U. S. C., 189a), prescribed 8-hour day or 40-hour week for all laborers and mechanics employed by the War Department engaged in the manufacture or production of military equipment, munitions, or supplies during any national emergency declared by the President; provides that the Secretary of War may, by regulation, prescribe a longer work period by paying not less than time and a half.

2. The act of October 21, 1940 (Public, 873, 76th Cong.), requires payment at the rate of time and a half for all time in excess of 40-hours per week for employes of the field services of the War Department and field services of the Panama Canal, and also to professional employes, blue printers, photostat and rotaprint operators, inspectors, storekeepers, toolkeepers, and shop superintendents.

3. The act of June 3, 1941 (Public, 100, 77th Cong.), provides overtime of one and one-half the regular rate in excess of 40 hours for employes when in the field services of the War Department, Panama Canal, Navy Department, and Coast Guard.

4. The act of March 3, 1931 (title V, U. S. C., sec. 26a), provides that half-holidays for all Federal employes except certain field officers.

5. The act of June 30, 1936 (41 U. S. C., secs. 35 and 40; commonly known as Walsh-Healey Act) prescribes that on contracts with the United States exceeding \$10,000 in value, payment of not less than minimum wages as determined by the Secretary of Labor to be the prevailing minimum wage in the locality; and

No person employed by the contractor "shall be permitted to work in excess of 8 hours in any 1 day or in excess of 40 hours in any 1 week."

Section 40 provides that the Secretary of Labor shall make exceptions in specific cases upon a written finding of the contracting agency or department that justice or public interest will be served thereby, excess hours, drawing the overtime rate of not less than one and one-half times; and the president is authorized to suspend, in the public interest, any or all of the provisions of section 35.

6. The act of October 10, 1940 (Public, 831, 76th Cong.), provides "that until otherwise provided by laws provisions of law prohibiting more than 8 hours labor in any 1 day of persons engaged upon work covered by United States Maritime Commission contracts for the construction, alteration or repair of vessels shall be suspended", provides that work in excess of 8 hours a day and 40 hours a week shall be paid at not less than one and one-half times.

This provision terminates June 30, 1942, unless the Congress shall otherwise provide.

7. The act of June 28, 1940 (Public, No. 671, 76th Cong.): This is a general war-power bill and contains the following provisions relative to hours and rates of pay: Section 5a provides that the regular work hours for Navy Department and Coast Guard shall be 8 hours a day, or 40 hours a week during the emergency, provided the head of the Department may prescribe longer hours upon paying compensation of time and one-half. And, further, the President is authorized to suspend for "the War and Navy Departments and

for the Coast Guard and their field services" the provisions of the act of March 31, 1931 (U. S. C., title V, 26a). Section 29a provides that heads of departments shall agree upon uniform hours of work for employees of departments.

And section 5b provides during the national emergency declared by the President the provisions of the law prohibiting more than 8 hours' labor in any one day of persons engaged upon work "covered by Army, Navy, and Coast Guard contracts" shall be suspended.

Section 12 provides "the provisions of all preceding sections of this act shall terminate June 30, 1942, unless the Congress otherwise provides."

8. The Communications Act of 1934, amendment approved March 23, 1941 (Public, 20, 77th Cong.), directs the Commission to fix the rate of extra compensation for overtime services of radio inspectors who are required to be on duty between certain hours but provides that the act shall not be construed to alter the length of a work-day or the over-time pay fixed.

9. The act of March 3, 1917 (48 U. S. C. 737), next to last paragraph in act, providing civil government for Puerto Rico, provides that 8 hours shall constitute a day's work in all cases of employment of laborers and mechanics by the Government on public works except in cases of emergency.

10. The act of March 2, 1941 (Public, 46, 77th Cong.) provides that until June 30, 1942, the Maritime Commission shall apply provisions of Public, 831, Seventy-sixth Congress, relating to compensation for all hours worked by laborers and mechanics in excess of 8 hours a day or 40 hours a week and not less than one and one-half times basic pay.

11. The act of July 1, 1932 (15 U. S. C. 605 b (6)). The Reconstruction Finance Corporation Act provides that under loans made by Reconstruction Finance Corporation that "so far as practicable no individual directly employed on any such project shall be permitted to work more than 30 hours in any one week."

12. Fair Labor Standards Act (wage-hour law, 29 U. S. C. 207, 208) prohibits work in excess of 40 hours a week unless such excess is paid for at time and a half.

13. The act of June 19, 1912 (40 U. S. C. 324) contains a provision that on any contract with the Government involving employment of laborers or mechanics, no laborer or mechanic shall be "required or permitted to work more than 8 hours in any 1 calendar day"; provides a penalty of \$5 for each laborer for each day of violation (the act of June 28, 1940, Public, 671 of the 76th Cong., sec. 5b) suspends provisions of law prohibiting more than 8 hours' labor for persons working on Army, Navy, and Coast Guard contracts, but this suspension expires June 30, 1942.

14. The act of August 1, 1892 (40 U. S. C. 321) provides an 8-hour day for all laborers and mechanics on Government work and makes it unlawful to "require or permit" such persons to work more than 8 hours "except in cases of extraordinary emergency."

15. The act of September 9, 1940 (40 U. S. C. 325a) provides that wages of laborers and mechanics employed on any public works shall be computed on the rate of 8 hours per day and work in excess of 8 hours shall be permitted upon compensation for all excess hours worked at not less than time and a half.

The act of March 4, 1917 (40 U. S. C. 326) authorizes the President, in case of national emergency, to suspend the 8-hour law provided pay is for time and a half for excess hours.

16. The act of March 30, 1931 (40 U. S. C. 276a) (Prevailing Wage Act) directs the Secretary of Labor to determine minimum wages on Government work, which shall be that "prevailing for the class of laborers and me-

chanics employed on projects of a character similar to the contract work" in the place in which the work is to be performed.

17. The act of March 4, 1917 (40 U. S. C. 326) provides that laborers and mechanics employed on Government work shall be paid time and a half for hours in excess of 8 hours a day.

The fact is that some of these laws have operated so severely against the defense effort that on two different occasions different agencies of the Government have come to the Congress and obtained suspensions. In one case, the Maritime Commission got an act through that suspended the operation of a law as far as it affected them. In another case we passed a law which suspended the operation of a certain law as far as the Army and Navy were concerned. But in both of those laws it is provided that the suspension shall only last until June 1942. Therefore, at the end of about 3 months, unless Congress acts, our war production is going to be tied up again just the way we were before Congress passed the suspensions.

Of course, these suspensions did not suspend all of the acts that must be suspended in order to cover comprehensively this subject. I hope the House will give this matter very serious consideration tomorrow, and I hope those Members who are interested will read the extension which I am placing in my remarks that gives you a summary of the various and sundry 17 acts of Congress which have got to be suspended if we are going to lift the hand of this deterring legislation off of our war efforts.

I think the House will recall that only on yesterday on the west coast the Bethlehem Steel had a walkout of their men at the end of an 8-hour day. They wanted to put in a 10-hour day, but the union said, "No; you cannot work but 8 hours." So they handicapped the construction of destroyers in that plant, and that strike is going on today.

Of course, everybody, I think, who reads the papers must have felt very badly about the situation which occurred on the west coast on George Washington's birthday when the authorities of the Government called upon the workmen there to ignore that holiday and give us continuous performance throughout Monday on the birthday of the father of our country, and that request was refused. That day of work was lost, because, forsooth, the employers were not able to pay them time and a half or double time as the case may have been for working for the defense of our country on the day of the birth of the father of our country.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I have not the time to yield now, but I shall yield later if I can.

I am sure the House is going to want to give serious consideration to this matter. As I said before, unless you do it, these laws which you have already suspended are going to be placed in effect again on the 30th day of June, by reason of the expiration of limit fixed by the Congress at the time of their suspension.



Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield now to the gentleman from Massachusetts [Mr. HEALEY] if I have any more time or to the gentleman from Michigan.

Mr. HOFFMAN. Did the gentleman note in today's paper that at Philadelphia union men who wanted to work were deprived of their membership by the union because they refused to strike and that automatically forced the company to discharge them, and they are now seeking to be reinstated?

Mr. SMITH of Virginia. I will say to the gentleman that I have read about so many stoppages and strikes in the papers in the last 2 or 3 days that I cannot keep them all straight.

Mr. HOFFMAN. That was a case where the union men wanted to work and their own union would not let them.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Massachusetts.

Mr. HEALEY. I wonder if the gentleman read, in connection with the holiday on Washington's birthday, about the voluntary and patriotic contribution of the American Federation of Labor wherein they are endeavoring to raise a billion dollars from workers in this country to purchase war bonds and war stamps and—

Mr. SMITH of Virginia. I have your question.

Mr. HEALEY. Let me conclude my question.

Mr. SMITH of Virginia. I do not yield any further because I can answer it from that point.

I will say in reply to the gentleman that you could sell \$100,000,000,000 worth of bonds, but you will never win this war unless you convert those bonds into tanks and planes and guns and munitions with which to fight the war.

Mr. HOFFMAN. And if the gentleman will yield, an A. F. of L. union is asking for an increase in wages of 15 cents an hour at the same time. An editorial from the February 24 issue of the Somerset American of Somerset, Pa., on that very subject is interesting.

It is as follows:

#### GREEN

William Green seems to imagine himself long on the "long green" and in harmony with the views of the White House, that appropriations will win the war.

We are speaking of the William Green who is president of the American Federation of Labor.

The same wire which brought a story of Mr. Green's declaration that the American Federation of Labor members would purchase \$1,000,000,000 worth of Defense bonds during the year brought another to the effect that between 55,000 and 60,000 lumbermen, members of the American Federation of Labor in Washington and Oregon intend to strike unless they get 15 cents an hour increase in wages.

Considered as part and parcel of the program of the American Federation of Labor, the two don't make sense.

Only a few months ago this same Mr. Green was promising that the American Federation of Labor unions would not strike during the war. They have struck and threaten more strikes.

If Mr. Green can't make good on his no-strikes promise, what confidence can be placed in his promise that American Federation of Labor members will buy a billion dollars' worth of bonds?

Too much stress has been laid upon the money end of this war; too little upon personal, physical sacrifices.

Two million men are in the Army and Navy. Those boys are making sacrifices. They have sacrificed good jobs, many of them; they have broken home ties; they face death.

The lumber workers of Oregon and Washington are getting a minimum of 75 cents an hour, whether they earn it or not; they want 90 cents. Is Mr. Green going to let them strike to get it?

The Federal Bureau of Investigation announced Sunday that it had arrested 6,000 enemy aliens in the California-Oregon-Washington area, some of them dangerous.

Suppose the Japanese should land in southern California and invade Oregon and Washington while the American Federation of Labor lumber workers are striking. The absence of the produce of their labor might be the fatal factor in the conflict. In that event, of what value would the extra 15 cents an hour be to them? In that event, of what value would a subscription for a billion dollars' worth of bonds be worth?

Defense bonds are of value when the money paid for them purchases the implements necessary to the national defense.

If the workers charged with producing defense goods are on strike, of what value is a billion dollars?

Mr. Green ought to go out to Oregon and Washington and try to harmonize the conduct of his lumbermen's union with his pledges. That's the most important job facing Mr. Green.

If labor unions are to be centers of sedition, they should be disbanded and their leaders incarcerated.

Unless the word of labor leaders can be made to mean a little something they had better quit talking.

Mr. SUMNERS of Texas. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, I take this time to make a few more or less disconnected statements to complete the record.

With regard to the inquiry of the gentleman from Pennsylvania [Mr. DITTER], I would like for it to be incorporated in the RECORD that there is now authority granted to the War Department "to acquire temporary use thereof or other interest therein," referring to property "or right pertaining thereto for the sites, locations," and so forth. I would like next to direct to the attention of the committee that on page 17, line 23, which is the part of the bill having to do with the naturalization of persons engaged in the military and naval forces, the committee will offer an amendment to incorporate this language, "who is a resident of the United States or any of its Territories or possessions at the time of his enlistment or induction." Under the language of the bill as reported, that residence is not required.

Perhaps the most important amendment that will be proposed by the committee is to strike out title VIII of the bill. This has to do with the compensation for injuries of voluntary civilian defense workers. I assume that this provision is pretty well understood. It proposes to make available to these hundreds of thousands of voluntary de-

fense workers, air wardens, and people of that sort doing voluntary, community service, in their respective communities, the benefit of the Federal compensation law, based on a \$100 per month basis. The committee has given very careful consideration to this provision and has arrived at the conclusion that at least for the time being it would be a serious mistake if the Federal Government should put these patriotic citizens in the attitude of having any dependence upon the Federal Government at all. Let their respective communities where they serve take care of everything.

I do not think there is the slightest doubt that we of the communities shall never reach the point where those of us engaged in the attempt to save this democracy can be looking to the Federal Government all the time. We are engaged in war with one group of people whose religion, or whose philosophy is that if they die in the service of the Emperor they have made a mighty good deal. They are not fighting for anything except for the opportunity to die in the service of the Emperor. On the other hand, we are opposing a great group of people who have submerged themselves literally into the structure of the state—everything for the state.

You cannot fight a war against people like that with people who are looking to Uncle Sam to get something out of a busted Treasury, where everything is paid for, for the individual, and the individual is compensated for everything. We need more than armies and material to win this war. We need a great people to win this war, and potentially we have a great people. As I said the other day, I have been taking samples of public attitude and fitness in America for the last 2 years. When I began I knew if our people were the sort of people that we see on the surface—soft, childish, apparently selfish—we could not win; but under the surface, in the people that I have talked to in the last 2 years, I have seen something magnificent. I have seen the people brush aside that unfit personality and stand forth the most magnificent thing I have ever seen on this earth or ever expect to see. I have seen a great, strong, sturdy, determined American people with its wonderful personality come to the surface, with that attitude, that willingness to serve and to sacrifice which we have to have to win.

It is a fine thing, a magnificent example, these private citizens in their respective communities engaged in all these various community activities for their local defense, expecting not one red cent from the Federal Government. That is the reason why we are going to offer that amendment.

We do not know what is coming later on; and if later on some of our communities should come under destructive bombing, if later on it should become necessary, then the Congress can consider the legislation proposed in this section. Do not do it now. These magnificent citizens have not asked it. Their devotion and patriotism is a fine example of what we have got to have if we are to win.



Mr. Chairman, I shall not take any more time, and I assume that we are now ready to begin the reading of the bill. May I state to the Members of the Committee that we hope to continue until around 5:30 o'clock today, and then if we do that we ought to be able to conclude the bill in a reasonable time tomorrow, say, 3 or 4 o'clock in the afternoon. I ask that the Clerk read.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,*

**TITLE I—EMERGENCY POWERS OF THE INTERSTATE COMMERCE COMMISSION OVER MOTOR CARRIERS**

SEC. 101. Section 204 of the act of August 9, 1935 (49 Stat. 543), otherwise known as the Motor Carrier Act, 1935, as amended, is hereby amended by adding after subsection (d) thereof the following:

"(e) The Commission shall have authority with respect to motor carriers, to be exercised under similar circumstances and procedure, equivalent to the authority it has with respect to other carriers under section 1 (15) of part I, and shall have authority, to the extent necessary to facilitate the prosecution of the war and not in contravention of State laws and regulations with respect to sizes and weights of motor vehicles, to make reasonable directions with respect to equipment, service, and facilities of motor carriers, and to require the joint use of equipment, terminals, warehouses, garages, and other facilities; and motor carriers shall be subject to the same penalties for failure to comply with action taken by the Commission under this paragraph as other carriers for failure to comply with action taken by the Commission under section 1 (15) of part I.

"(f) Notwithstanding any other applicable provision of this act, to the extent that it may be in the public interest, the Commission may modify, change, suspend, or waive any order, certificate, permit, license, rule, or regulation issued under this part."

With the following committee amendments:

Page 1, line 4, in the title after the word "motor", insert the words "and water."

Page 1, line 6, after the word "the", strike out the remainder of the line and all of line 7 and the words "act, 1935", in line 8, and insert "Interstate Commerce Act."

Page 1, line 8, after the word "amended", insert "(U. S. C., 1940 ed., title 49, sec. 304)."

The committee amendments were severally agreed to.

Mr. MARCANTONIO. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection?

Mr. SUMNERS of Texas. Mr. Chairman, I will not object to this request, but, I shall object to any other requests of that kind.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, yesterday I learned that the Navy Department had discharged from a naval defense construction job a certain George Deatherage. The reason for the removal of this domestic Fascist was that he was considered undesirable. This action of the Navy is most laudable.

I now call the attention of the House to the solicitude with which Mr. Deatherage was treated at the time he appeared before the Dies committee. George Deatherage was the national chairman

of the Knights of the White Camelia, and he appeared before the Dies committee on May 23, 1939. His testimony appears in volume 5 of the record, on page 3455, and we find the following testimony on pages 3472 and 3473.

He was asked the following questions and he gave the following answers. By the way, in pointing out this testimony to you I give you the following background: That when several members of the Communist Party appeared before the Dies committee and refused to answer questions with regard to the membership lists in order to protect their members from persecution, they were haled before this House as being in contempt of the House of Representatives, and indictments on the basis of the resolutions which this House passed are now pending and the defendants are now waiting trial in the United States district court in the city of Washington.

Now, listen to this testimony and let us see what happened to Mr. Deatherage:

Mr. WHITLEY. Is your own organization a membership organization?

Mr. DEATHERAGE. It is.

Mr. WHITLEY. Do you have chapters located in various parts of the country?

Mr. DEATHERAGE. Yes, sir.

Mr. WHITLEY. How many chapters do you have, Mr. Deatherage?

Mr. DEATHERAGE. When I took my oath as commander of this organization there is one thing I promised on the value of my life never to reveal, and that is the number of members we had, the number of posts, and the members; and I am sorry I can't answer; and if that is in contempt of court and I have to go to jail, I am quite content.

Mr. WHITLEY. I am not asking you to identify any members, but as to the number of chapters or the number of members I don't see where that would hurt anyone.

Mr. DEATHERAGE. It may not; but that is my oath, and I am going to stay with it.

Mr. WHITLEY. Was that a voluntary oath?

Mr. DEATHERAGE. That is a compulsory oath.

Mr. WHITLEY. That you never reveal any of that information?

Mr. DEATHERAGE. That is right; and that oath is the same as a Klansman's oath.

Mr. WHITLEY. Does each member of your organization have to take a similar oath?

Mr. DEATHERAGE. He does.

Mr. WHITLEY. And it is 100 percent a secret, sub rosa organization as far as the membership is concerned?

Mr. DEATHERAGE. That is right.

Mr. WHITLEY. You, as its national commander, are the only one who is publicly identified with the organization; is that correct?

Mr. DEATHERAGE. Well, it would be rather difficult to answer that. The Jews have been watching this thing so much that they have got certain fellows identified. But as far as the fellow who comes out and sticks his neck out in the open, that is me.

Mr. WHITLEY. You are the national commander publicly identified as in that position, and with reference to your association with your organization?

Mr. DEATHERAGE. Official goat; yes, sir.

Mr. WHITLEY. You mentioned your organization and Mr. Pelley's as being the two largest—you wouldn't, for the information of the committee, you couldn't possibly even indicate approximately what your membership is; I am not asking you to give the exact figures if that is against the rules?

Mr. DEATHERAGE. It is against my oath; I am sorry I can't answer.

He refused to answer question after question that was addressed to him.

This happened on May 23, 1939. This Fascist and unworthy citizen of our country was treated with the greatest possible solicitude before the Dies committee. Despite his contempt, despite his defiance, despite the fact that others have been brought by Mr. Dies before this House for contempt of this same committee for refusing to answer the same kind of questions, Mr. Deatherage was never haled before this House on a contempt resolution. Not the slightest effort was ever made to punish him.

I submit that, on the basis of this testimony, on the basis of what the Dies committee has done with regard to other witnesses, this solicitude is tantamount to protection. Mr. Deatherage was, therefore, not subjected to an investigation and exposure. He used the committee as a sounding board for his foul preachings, and the Dies committee never sought to have him punished for refusing to reveal the pertinent facts about his organization. Mr. Deatherage thus received protection at the hands of this committee, despite his defiance. The Navy Department has now declared him to be undesirable to hold down a defense job. The Secretary of the Navy is deserving of commendation. The Dies committee is deserving of condemnation in the Deatherage case.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 102. Subsection (a) of section 210a of said act is hereby amended by striking out the words "but for not more than an aggregate of 180 days."

With the following committee amendment:

Page 2, line 21, insert "as amended (U. S. C., 1940 ed., title 49, sec. 310a (a))."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 103. Subsection (a) of section 311 of said act is hereby amended by striking out the words "but not for more than an aggregate of 180 days."

With the following committee amendment:

Page 2, line 25, insert "as amended (U. S. C., 1940 ed., title 49, sec. 311 (a))."

The committee amendment was agreed to.

The Clerk read as follows:

Title II—Acquisition of property.

With the following committee amendment:

Page 3, line 3, after the word "Acquisition", insert "and disposition."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 201. The act of July 2, 1917 (40 Stat. 241), entitled "An act to authorize condemnation proceedings of lands for military purposes," as amended, is hereby amended by adding at the end thereof the following section:



"Sec. 2. The Secretary of War, the Secretary of the Navy, or any other officer, board, commission, or governmental corporation thereto authorized by the President, may acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court having jurisdiction of such proceedings, to acquire by condemnation, any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that shall be deemed necessary, for military, naval, or other war purposes, such proceedings to be in accordance with the act of August 1, 1838 (25 Stat. 357), and any other applicable Federal statute, and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the act of July 2, 1940 (54 Stat. 712). Upon or after the filing of the condemnation petition, immediate possession may be taken and the property may be occupied, used, and improved for the purposes of this act, notwithstanding any other law. Property acquired by purchase, donation, or other means of transfer may be occupied, used, and improved, for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended."

With the following committee amendment:

Page 3, line 11, strike out the word "there- to."

The committee amendment was agreed to.

Page 3, line 20, strike out the word "and" where it appears the first time and insert the word "or."

The committee amendment was agreed to.

Mr. SPRINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: On page 3, line 23, after the period, insert:

"The amount paid for any property so taken shall include fair compensation for losses proximately caused by the taking, in addition to the amount which would otherwise have been payable."

Mr. SPRINGER. Mr. Chairman, when I spoke on the bill during the general debate I mentioned the fact that such an amendment would be offered to title II of this bill. The amendment which I have offered is fair and equitable, and will aid in reaching an equitable solution in fixing the measure of damages sustained. As was explained at that particular time, during the general debate, title II of this bill enters a new field under the law of eminent domain. It provides for the condemnation of real estate, as is now provided by law, and then it enters into a new field of condemning personal property. It is not limited, alone, to personal property, because it gives the right of condemning the entire title, which has always been observed under the law, and it gives the additional right to condemn "the temporary use thereof" or "any other interest therein." In other words, under the law as we have known it throughout the years, under condemnation proceedings, when we condemn and we took full and complete title to it; but under this proposed law you can take any part of it, or the temporary use of the real estate, or any other interest therein. The same broad provision applies to per-

sonal property under title II of this bill.

As I mentioned awhile ago in the general debate on the bill, after the property is acquired, that is, the full interest, or any other interest therein, then it may be disposed of, or any interest therein which is taken may be disposed of, by sale by the Government. That leaves the owner of the property subject to whatever disposition the Government should desire to make of it. That provision for sale under title II of this proposed law would give the Government the power to dispose of the real estate, or the personal property, or both, or any interest therein which the Government acquired under the condemnation proceedings, and the former owner would have no redress.

The further provision is set forth under section 1 (b) of the act of July 2, 1940 (54 Stat. 712). It provides how that sale shall be made, and I want you to listen to the language of section 1 (b) of the statute. This is the language. I quote:

1 (b). The Secretary of War is further authorized with or without advertising to lease, sell, or otherwise dispose of such plants, buildings, facilities, utilities, appurtenances thereto, and lands under such terms and conditions as he may deem advisable.

In other words, I want to impress upon the membership this: The unfairness of this proposed plan. Let us take a hypothetical case. Suppose we have an owner whose property is taken under condemnation, either the whole interest, or any temporary use thereof, or any other interest therein, under that provision of law. How would that property owner be able to recoup his property at the end, or at the time of sale? We must remember the sale may be made with or without advertising, and in such manner as the head of the department or agency may determine—that is, the manner in which the sale is held. The property would be sold out from under the man who owned it. He would have little or no opportunity to recapture it.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the distinguished gentleman from Kentucky.

Mr. MAY. Might the Government under this statute, if the Government desired to do so, condemn a man's house and lot, including his household goods and everything within it, take them over and use them, if they wanted to?

Mr. SPRINGER. There is no question in the world but what that could be done. That is precisely the power which is granted to the Government under this proposed legislation.

Mr. MAY. Or take it for the purpose of making a storage dump out of it, if they wanted to?

Mr. SPRINGER. That is entirely correct under the broad provisions and terms of this proposed law. Under the amendment which I have offered—which I hope will be adopted by the committee—the measure of damages which the owner sustains by reason of the condemnation will be computed by making an assessment of the value of the whole and entire property before the taking occurs, both real estate and personal property, and by fixing the value of the residue or

remainder of the property, which the Government fails to take, and the difference in such values would constitute the measure of damages.

Mr. Chairman, we are at war. We have a stupendous task ahead. We will meet it, and we will win this war. But as we look forward throughout the future years we must not pass legislation which will assume to take the property of the people of this Nation without just compensation therefor. The amendment which I have proposed will aid in the determination of that highly important question—the just compensation for the property taken in such condemnation proceedings.

I hope the committee will see fit to adopt the amendment which I have offered.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I offer a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS as a substitute for the Springer amendment: On page 3, line 23, after the period, insert "The amount paid for any property so taken shall include fair compensation for losses proximately caused by the taking in addition to the amount which would otherwise have been payable."

Mr. HOBBS. Mr. Chairman, I am going to let the Supreme Court make this argument for me. The *United States v. Russell* (13 Wall. 629):

A taking of private property by Government when emergency of public service in time of war or impending public danger is too urgent to admit of delay is everywhere regarded as justified if the necessity for the use of the property is imperative and immediate and the danger impending; and it is equally clear that the taking of such property under such circumstances creates an obligation on the part of the Government to reimburse the owner to the full value of the service. Private rights under such extreme and imperative circumstances must give way for the time to public good, but the Government must make full restitution for the sacrifice.

From *Jacobs v. U. S.* (290 Ala.), pages 16 and 17, I quote:

The circuit court of appeals, distinguishing the present suits from condemnation proceedings instituted by the Government, held that the suits were founded upon an implied contract and, hence, that interest could not be allowed, citing *United States v. North American Co.* (253 U. S. 330).

This ruling cannot be sustained. The suits were based on the right to recover just compensation for property taken by the United States for public use in the exercise of its power of eminent domain. That right was guaranteed by the Constitution. The fact that condemnation proceedings were not instituted and that the right was asserted in suits by the owners did not change the essential nature of the claim. It rested upon the fifth amendment. Statutory recognition was not necessary. Such a promise was implied because of the duty to pay imposed by the amendment. The suits were thus founded upon the Constitution of the United States (28 U. S. C. 41 (20)).

The amount recoverable was just compensation, not inadequate compensation. The concept of just compensation is comprehensive and includes all elements, "and no specific command to include interest is necessary when interest or its equivalent is a part of such compensation." The owner is not



limited to the value of the property at the time of the taking; he is entitled to such addition as will produce the full equivalent of that value paid contemporaneously with the taking. Interest at a proper rate "is a good measure by which to ascertain the amount so to be added." (*Seaboard Air Line R. Co. v. United States*, 261 U. S. 229, 306).

Yet, in spite of the Constitution and in defiance of this decision, owners of private property taken for public use are generally denied any interest or its equivalent, no matter if payment be delayed for a year or more after the taking.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. As soon as I have finished this statement but not before, and I will bear that in mind and come back to the gentleman, whose requests are always granted with pleasure.

Resuming—interest or its equivalent is the first right being denied by reason of erroneous administration.

The second is rents. Rents are indivisible for farm lands, and unless the tenant occupies the land for the crop period and until he has a chance to gather his crops, the landlord cannot collect one dime of rent, but the tenant if dispossessed can recover for the estimated value of the growing crops. The landlord loses both rents and his part of the crops if the Government takes the farm and dispossesses a tenant and the landlord before a crop season is over.

Next is taxes. Suppose the Government says it wants possession of your land on September 1 and State taxes are due and payable in October. You give possession September 1. Does the Government pay the taxes after October 1? Not at all, unless the deal is closed and the title has become vested. This may not happen for months, or even longer.

Then there is the matter of seed and fertilizer. The money you paid for the laborers and for the mules to plant the crops, you cannot get a dime of that back. That is what they call speculative damages. Yet they speculate on the value of a growing crop to the tenants but not to the landlord. The landlord loses his rent, which may be his only income from land, provided the property is taken in possession by the Government before the crop period is over.

This amendment does nothing in the world more than to require what is right between a man and his government. Just compensation is the sole measure. We are not seeking to add remote, speculative, or any other kind of damages. All we are asking is that the constitutional requirement of the payment of just compensation be observed and complied with.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute in order to yield to the gentleman from Tennessee [Mr. KEFAUVER].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. HOBBS]?

There was no objection.

Mr. KEFAUVER. I thank the gentleman. I want to ask the gentleman if as a practical matter the Government does not pay the owner of the property or pay into court its appraisal of the value of

the property with the taking, then the balance, if there is any balance, is litigated, if the owner is not satisfied? Is not that the practical way it works out?

Mr. HOBBS. I do not think that is either the practice or the theory. Certainly it is not the provision of this act. My experience in over 700 cases is that nothing like that is done.

Mr. KEFAUVER. I am sure the gentleman will agree that an appraisal price is paid into court, which the owner can withdraw without prejudice in his suit against the Government, if he is not satisfied. Will the gentleman agree to that?

Mr. HOBBS. I do not agree with that statement. That is not my understanding of the method pursued. I think a token deposit is all that is paid in many cases. I know of one instance where a very small amount of money was paid in a matter involving a very, very large amount of undisputed value.

Mr. KEFAUVER. If it is proven to the satisfaction of the gentleman that that is true, would the gentleman then be satisfied that his amendment has no place in the bill?

Mr. HOBBS. No, sir. If the law and the practice be what you think it is, what harm can my amendment possibly do? If the Government agents are already doing what my amendment would require, it would not affect them in the slightest degree.

But if, as I most earnestly insist, the plain mandate of the Constitution is being ignored and citizens penalized thereby, my amendment would stop at least some of it, and should be adopted.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from Indiana [Mr. SPRINGER] and the gentleman from Alabama [Mr. HOBBS].

Mr. Chairman, I am sure we all agree with the general objectives of the gentlemen. I commend them for their zeal and effort to protect the people whom they represent, but I am confident the amendments they offer are not necessary.

In my opinion, the first authority cited by the gentleman from Alabama is the best authority in support of this bill as drawn, because the authority which the gentleman cited, and I do not have it before me now, laid down the proposition which is recognized in the courts that damage for the taking of property by the Federal Government is that damage recognized by the Constitution as just compensation. Therefore, regardless of any statutory enactment, a person whose property is taken by the Federal Government is entitled to just compensation.

Let me read from a decision of the Supreme Court in the case of *Seaboard Air Line Ry. v. U. S.* (261 U. S. 299) at page 306. This was a case in which the question at issue was the amount of compensation to which the property owner was entitled.

The decision states:

It is obvious that the owner's right to just compensation cannot be made to depend upon State statutory provisions.

The Constitution safeguards the right and section 10 of the Lever Act directs payment.

The rule above referred to, that in the absence of agreement to pay or statute allowing it, the United States will not be held liable for interest on unpaid accounts and claims, does not apply here. The requirement that just compensation shall be paid is comprehensive and includes all elements, and no specific command to include interest is necessary when interest or its equivalent is a part of such compensation.

And I call particular attention to this additional excerpt from the opinion:

Where the United States condemns and takes possession of land before ascertaining or paying compensation, the owner is not limited to the value of the property at the time of the taking; he is entitled to such addition as will produce the full equivalent of that value paid contemporaneously with the taking.

Mr. Chairman, we are now passing upon a war-powers bill. This bill comes before the House because we are at war. It provides the rights and remedies which will be granted to those citizens who are affected by the impact of the war. The rule with respect to the damages to which a person is entitled whose property is taken by the Government through condemnation is well known and well established. It is the existing law and it will be applied, regardless of statute; it will be applied under the constitutional provisions protecting citizens in that circumstance.

The suggestion is made by the distinguished gentleman from Alabama, for whom I entertain the highest regard personally as a legislator and as a lawyer, that the rule be changed or that an attempt be made to change the rule. In what respect?

By amending this bill to provide that the amount paid for any property taken shall include fair compensation for losses proximately caused by the taking in addition to the amount which would otherwise have been payable.

Something in addition to what would be payable under the existing law is being asked for by the gentleman from Alabama at a time when this country is at war. The gentleman from Alabama, in his great zeal to protect those whom he so ably represents, comes before this House and asks that the United States Government in the time of its extremity be required to pay more for the taking of property than it is normally required to pay under ordinary circumstances. He asks that greater damages be allowed under the circumstances that exist at this time than those allowed under the circumstances that have existed throughout the time covered by the period in which the United States Government has been taking private property.

The effect of this amendment would be to so muddy the situation that it would create untold lawsuits and untold claims, which could not be settled except with tremendous difficulty, if ever, by the United States Government. I sincerely trust the amendment will be defeated.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I share the views of the gentleman from Nebraska who just addressed you with reference to our distinguished colleague the gentleman from



Alabama [Mr. HOBBS]. We all have the greatest respect for him. However, I and the previous speaker must respectfully disagree with him as to his amendment.

As I understand, his amendment provides that the amount paid for any property so taken shall include not only fair compensation for the property itself but also damages "proximately caused" by the taking.

The words "proximately caused" are highly indefinite. They are too vague to permit of proper administration. The courts would be hard put to it to understand and determine damages "proximately caused." That would be an entirely new idea of damages. It would open a brand new line of attack for enterprising lawyers. If we were to allow these words to remain in the statute as per the amendment of the gentleman from Alabama we would open wide the doors to allowing all manner and kind of damages to be assessed against the Government. Damages would be without let or hindrance so long as they be "proximate," whatever that means. There would be interminable litigation before "proximate" could be defined.

Let me give you one or two concrete cases. A gentleman up in my district manufactures lipstick, let us say. In the manufacture of the cosmetic containers he uses copper and brass. He may have a quantity of copper and brass that the Government covets and must have for the war effort. If this copper and brass were taken from him, under the amendment offered by the gentleman from Alabama that man would finally be compensated not only for the actual value of the copper and the brass, the enhanced value, which would be perfectly proper, but also for the value of the lipstick containers that would in the future have been manufactured from that copper and brass. There would be "proximately" caused to him a damage because he could not sell the lipstick material that goes into the containers. He would be able to get compensation for his loss of goodwill. What would be the value of that goodwill? There is no court of record that has any definite standard by which we could gage that man's damage to his goodwill. It would be an entirely new note in damages.

I have in mind another individual in New York City who has a cutlery plant. The Government may take away the stainless steel or chrome that he uses in the manufacture of knives, forks, and spoons. The handles of those knives, forks, and spoons are often made of plastic material. Under the suggested amendment he could say, "If you take this steel away from me you must give me the value of the steel. You must also give me the value of all my plastics, because I might not have any use for them. Therefore I will be damaged to a greater degree. In addition, you are ruining my business, and you must give me the value of my losses, the value of my plant as a going concern, and the value of my goodwill." It would be highly difficult to plumb the depths of the value of that goodwill, the amount of all the "proximate" business losses.

Take the case of a man who has an automobile establishment. The Government may want the rubber in the tires on his cars. The man would say, "You are ruining my cars. You must give me the value of the automobiles. In addition, you are ruining my business and must give me the value of my goodwill that is destroyed. Furthermore I cannot go on with my lease. If I could go on I would make \$50,000 a year. My lease has 10 more years to run. Thus I am damaged in addition to my cars, my goodwill, 10 times \$50,000 or \$500,000."

That opens the door mighty wide, and that man could mulct the Government out of thousands and thousands of dollars, whereas the man in the trenches, possibly making the supreme sacrifice, would be getting \$21 a month. Businessmen must also make some degree of sacrifice. They should not ask for the pound of flesh, and that is what would happen under this amendment. Business would get its pound of flesh out of the Government.

I do hope we pause long before we give such tremendous damages as would be involved in the use of the words "proximately caused by the taking."

[Here the gavel fell.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Alabama [Mr. HOBBS].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Indiana [Mr. SPRINGER].

The amendment was rejected.

The clerk read as follows:

#### TITLE III—PRIORITIES POWERS

SEC. 301. Subsection (a) of section (2) of the act of June 28, 1940 (54 Stat. 676), entitled "An act to expedite national defense, and for other purposes," as amended by the act of May 31, 1941 (55 Stat. 236), is amended as follows:

(a) In paragraph (1) of said subsection (a), strike out the words "this section" and the words "this subsection" wherever they appear, and substitute the words "this paragraph."

(b) Strike out paragraph (2) of said subsection and substitute a new paragraph (2) and add paragraphs (3) to (8), as follows:

"(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

"(A) Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the act of March 11, 1941, entitled 'An act to promote the defense of the United States';

"(B) Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;

"(C) Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection.

Deliveries under any contract or order specified in this subsection may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President

is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

"(3) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, any person (which, for the purpose of this subsection, shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not), and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this subsection.

"(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the provisions of sections 9 and 10 of the act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of the President.

"(5) Any person who willfully performs any act prohibited, or willfully fails to perform any act required by, any provision of this subsection or any rule, regulation, or order hereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than 1 year, or both.

"(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection or any rule, regulation, or order or subpoena hereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection to enforce any liability or duty created by, or to enjoin any violation of, this subsection or any rule, regulation, order, or subpoena hereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoena for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection.

"(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from his compliance with this subsection or any rule, regulation, or order issued hereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

"(8) The President may exercise any power, authority, or discretion conferred on him by this subsection, through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe."

With the following committee amendments:



Page 4, strike out lines 8 down through and including line 19 and insert in lieu thereof the following:

"Sec. 301. Subsection (a) of section 2 of the act of June 28, 1940 (54 Stat. 676), entitled "An act to expedite national defense, and for other purposes," as amended by the act of May 31, 1941 (Public Law No. 89, 77th Cong.), is hereby amended to read as follows:

"Sec. 2. (a) (1) That whenever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this paragraph and all other naval contracts or orders and all Army contracts and orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every 3 months to the Congress the contracts entered into under the authority of this paragraph: *Provided further*, That contracts negotiated pursuant to the provisions of this paragraph shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (49 Stat. 2036; U. S. C. Supp. V, title 41, secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this paragraph to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractors as a result of any contract entered into under the authority of this paragraph, or any War Department contract entered into in the form of cost plus a fixed fee, shall not exceed 7 percent of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be)."

Paragraph (C)—Page 7, in line 9 before the period, and in line 11 after the word "subsection", insert "(a)".

Paragraph (C)—Page 8, in lines 3 and 9, after the word "subsection", insert "(a)".

The committee amendments were agreed to.

The Clerk read as follows:

Page 8, strike out paragraph (4), lines 9 through 14, inclusive, and insert in lieu thereof the following:

"(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the President may administer oaths and affirmations, and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be relevant to the inquiry. Such attendance

and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpoena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this subsection (a), on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this paragraph which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding 2 years, or both."

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 9, line 6, after "copy of", insert "extracts of all material portions of."

Mr. SMITH of Virginia. Mr. Chairman, it occurs to me that in this provision under which an agency of the Government may require a company to produce its books at a distant point, the committee is undertaking to alleviate the situation by providing that instead of producing the books, the party could produce copies of the books. My amendment, instead of requiring them to produce copies of all their books and records, as the agency might require them to do, will merely require them to produce such material extracts as may be necessary for that purpose.

I do not think this injures your bill at all and it would be a matter of convenience to parties who have to deal with an agency, because, under the bill as written, such agency could require any corporation whose books it wanted to examine either to bring all of their books, which might be truckloads or trainloads, to a distant point, or to bring full copies

of all their books. All I want to do in this amendment is to let them bring copies of the material and necessary extracts which will give the Government all of the information needed.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MAY. Under the provisions of the bill as written, a company that had a large amount of records might be required to expend hundreds of dollars copying such records if they were required.

Mr. SMITH of Virginia. Yes.

Mr. MAY. And the gentleman's amendment would relieve them of that by furnishing the necessary extracts from the books.

Mr. SMITH of Virginia. Yes.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. KOPPLEMANN. Do I understand that under this bill it is discretionary with the court to decide whether it wants all of the records or a part of the records?

Mr. SMITH of Virginia. It is not a question of the court getting the records but the agency getting them.

Mr. KOPPLEMANN. But is it not discretionary with the President to say whether he wants all of them or part of them?

Mr. SMITH of Virginia. No; it is discretionary with the agency down there, looking at your books. I can give you, for example, a concrete illustration.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield in order to get us going straight?

Mr. SMITH of Virginia. Yes.

Mr. SUMNERS of Texas. Whatever is furnished would be a copy of whatever is subpoenaed.

Mr. SMITH of Virginia. Yes.

Mr. SUMNERS of Texas. And if the subpoena is for a part of the records, then the copy would be that, and how could you arrange it so that the subpoena would be for one thing and the compliance would be for something different?

Mr. SMITH of Virginia. I would say that your subpoena would be for such material parts of the record as the agency wanted, just as you would proceed under a subpoena duces tecum.

Mr. SUMNERS of Texas. Is it the gentleman's notion that you would furnish something different from that required by the subpoena duces tecum?

Mr. SMITH of Virginia. No; for instance, suppose you wanted an extract of all of company A's accounts with company B. You would just ask for copies of all of company A's entries on its books of account with company B. But under the bill as you have it now the agency could ask you to bring all of your books or make copies of all of your books with all of your customers from A to Z.

Mr. SUMNERS of Texas. Will the gentleman yield further so I can get it straight in my own mind?

Mr. SMITH of Virginia. Yes.

Mr. SUMNERS of Texas. Is it the gentleman's intention to limit the scope of the subpoena?



Mr. SMITH of Virginia. No; I would not say that. It is to limit the scope of the compliance.

Mr. SUMNERS of Texas. Let us get that straight, because I know the gentleman wants to help us and so do we want to help. If the compliance required covers the whole scope of the subpoena, would the gentleman have any complaint about that arrangement?

Mr. SMITH of Virginia. I do not get that.

Mr. SUMNERS of Texas. If the copy required is a copy of that which is subpoenaed, would that be satisfactory?

Mr. SMITH of Virginia. No; because they might subpoena all of the company's books and records under this language. Suppose they subpoenaed all of the books when they did not need them.

Mr. SUMNERS of Texas. Suppose they did subpoena them.

Mr. SMITH of Virginia. I do not want them to be permitted to subpoena all the books. I want them to be permitted to bring only such parts as are material.

Mr. SUMNERS of Texas. Who is going to determine what is material in the event of their presentation in court?

Mr. SMITH of Virginia. I think if you put this in there, whatever agency is calling for these books is going to determine in advance what extracts it wants and ask for them.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Virginia. Will the gentleman let me illustrate what makes me offer this amendment? It is an incident that occurred in my own experience. A certain corporation was called on by a Government agency to give it information about one of its customers. The corporation doubted whether it could properly do that without going into court and getting a court order. This particular agency did not argue it at all. It issued a subpoena against this corporation. It said, under the law bring all of the records of your institution to a certain distant point on a certain day. That actually happened. If compliance had been had, that institution must have closed its doors, taken all its books and papers, and moved them by a number of trucks to a distant point. We did manage to straighten it out and gave the agency what it wanted without having to close the shop and take the books to some other part of the country. That is all that I am seeking to stop here. I think this amendment does it.

Mr. SUMNERS of Texas. Mr. Chairman, I ask for recognition in opposition to the amendment. I have sympathy with what the gentleman has in mind. The amendment is offered to the proviso. The proviso refers to the copy of the document subpoenaed. That is all. That is all that is provided for with reference to the copy. Let us get that straight. He is a businessman, and he has some books that are subpoenaed. He does not want

to bring the books into court. This bill gives him the choice of bringing that which has been subpoenaed or bringing a copy of that which has been subpoenaed. What I cannot understand is how you can limit as to the copy of that which would have been required if the original had been brought.

Mr. McCORMACK. If you make an extract of it that is in a sense a copy.

Mr. SUMNERS of Texas. The point I make is that you have to provide a copy of that which is subpoenaed, and if there is any limitation to be imposed in this bill, it ought to be with reference to that which you may subpoena. This particular proviso is for the convenience of the businessman.

Mr. McCORMACK. And furthermore, this is the regular stock form of language more or less that is carried in all of the bills with reference to a power that we delegate.

Mr. SUMNERS of Texas. Mr. Chairman, yes; and the point I am trying to make out of the amendment is that it is a limitation on the copy. If there should be any limitation proposed, it ought to be as to the books.

Mr. McCORMACK. I agree, and there is an additional reason—

Mr. SUMNERS of Texas. Oh, I have stated a reason that is a good one, and when you get a good reason there is no need of running off after another one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman a question. A hasty reading of this committee amendment leads me to believe that only the President may subpoena this record.

Mr. SUMNERS of Texas. As a matter of fact, the President does not do it, but he delegates the power to somebody else to do it.

Mr. WADSWORTH. Is that implied?

Mr. SUMNERS of Texas. It is specified.

Mr. WADSWORTH. Mr. Chairman, I withdraw my pro forma amendment.

The CHAIRMAN. The Clerk will report the remaining committee amendments.

The Clerk read as follows:

Page 10, line 14, after the word "subsection", insert the article "(a)".

The committee amendment was agreed to.

The Clerk read as follows:

Page 10, line 15, strike out the word "hereunder" and insert the word "thereunder."

Page 10, line 23, after the word "subsection", insert the article "(a)".

Page 10, line 24, strike out the word "hereunder" and insert the word "thereunder."

Line 25, after the word "subsection", insert the article "(a)".

The foregoing committee amendments were severally agreed to.

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. After the Clerk has finished the reading of the committee amendments to the several paragraphs,

is it true that the paragraph is agreed to as read, or are the paragraphs subject to further amendment after being first amended by the committee?

The CHAIRMAN. Paragraphs not sought to be amended by committee amendments, of course, are open to any other amendment that may be offered that may be germane. Of course, the committee amendment is subject to amendment.

Mr. HINSHAW. For example, after passing section 5 on page 10, is that section subject to amendment after it has been read?

The CHAIRMAN. Yes; that is true. However, the whole section is read. The gentleman has invited attention to a paragraph of a section. The whole section is read and then any part of that section is subject to amendment.

The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 11, line 1, after the word "subsection", insert "(a)."

The committee amendment was agreed to.

The Clerk read as follows:

Page 11, line 2, strike out the word "hereunder", and insert "thereunder."

The committee amendment was agreed to.

The Clerk read as follows:

Page 11, line 14, after the word "subsection", insert "(a)."

The committee amendment was agreed to.

The Clerk read as follows:

Page 11, line 17, after the word "from", strike out the word "his."

The committee amendment was agreed to.

The Clerk read as follows:

Page 11, line 18, after the word "subsection", insert "(a)", and at the end of the line strike out the word "hereunder" and insert "thereunder."

The committee amendment was agreed to.

The Clerk read as follows:

Page 11, line 23, after the word "subsection", insert "(a)."

The committee amendment was agreed to.

The CHAIRMAN. That disposes of the committee amendments to that section.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word for the purpose of obtaining the floor to ask a question of the very eminent and distinguished lawyers on the committee handling this bill.

On page 10, lines 12 to 18, is a penalty provision which would impose a fine of \$10,000 and imprisonment for not more than 1 year upon any person who willfully performs any act prohibited, or willfully fails to perform any act required by any provision of this subsection, and then there is the following language, "or any rule, regulation, or order hereunder."

I would like to ask one of the members of the committee whether the publication of a rule or regulation in a Government publication, such as the Federal Register, is such legal notice to persons in this country that failure to adhere to



those rules and regulations so published constitutes a willful violation, even in the event they did not happen to read them. Perhaps the chairman of the committee, the gentleman from Texas [Mr. SUMNERS], can answer that question.

Mr. McLAUGHLIN. The same rule applies to this as to all administrative rules and regulations. I do not think there is anything new in this.

Mr. HINSHAW. But can the gentleman answer me? Is it a willful violation of the rule, when that rule has been published some place by some department or agency or administrative officer of the Government, yet it is not known that it has been published, by the person who violates it?

Mr. McLAUGHLIN. I should say that a person charged with such violation could raise that as a defense if he saw fit to do so.

Mr. HINSHAW. Does the gentleman think that would be a good defense in court?

Mr. HANCOCK. That is a question for the jury to decide after hearing the evidence. Each case will stand on its own facts and circumstances.

Mr. McLAUGHLIN. That is what I intended to imply.

Mr. HINSHAW. After this rule has been published in the Federal Register or on some bulletin board, is that sufficient notice to a person who might violate it, without knowing of its being published?

Mr. McLAUGHLIN. I assume you are intending to ask if the publication in the Federal Register is constructive knowledge of its publication?

Mr. HINSHAW. If he should violate that rule, which was duly published some place, but without his happening to have seen it, could he be convicted of willful violation of the rule?

Mr. McLAUGHLIN. I should say that the word "willful" implies that he has actual knowledge of it.

Mr. HINSHAW. That is what I wanted to ask the distinguished barristers here, whether the word "willful" would be construed to mean that he must have had actual knowledge, and has directly and willfully violated the regulation, in accordance with his knowledge of it?

Mr. McLAUGHLIN. I should say that all the facts and circumstances would be taken into account, as to whether under the circumstances he should have known that such rule existed.

Mr. HINSHAW. I am still at sea about it, but I thank the gentleman for attempting to instruct me.

I can only add that there is already such confusion in published orders, rules, and regulations that no one can conduct his affairs without violating one or more of them. There are rules and amendments to rules and then rescinding orders, and there are regulations and amendments to them, with new ones pouring out of the mill every day. Instead of being a government by law we are fast becoming a government by Executive order, rule, and regulation, all having the force of law. How can John Citizen avoid violating orders, rules, and regulations and thereby avoid liability to fine and imprisonment when he cannot

know what they all are nor when he is likely to find himself up against a fresh one?

[Here the gavel fell.]

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in reading this bill, S. 2208, it seems to violate and flout the orderly proceedings and the plan of procedure in this House.

In the first place, the House is constituted so that Members are assigned to committees to handle certain classes of legislation. By long experience and process of selection and elimination the membership of these committees are particularly qualified to handle the legislation that comes before the regular committee.

Now, this is an omnibus bill. I do not know why, in dealing with one of the most important financial policies of this country, our good friend the gentleman from Alabama [Mr. STEAGALL] and the Committee on Banking and Currency, was ignored by bringing in title IV in this omnibus bill. Or why the Committee on Coinage, Weights, and Measures was overlooked in considering the provisions of title 9.

If you can pass this bill under this procedure, and override the rules and procedure of this House, you can pass anything.

I would like to know what consideration the Judiciary Committee gave to a matter as important as title IV of this bill.

In the great emergency of the Civil War when the source of money and credit failed in this country, particularly money, and bonds no longer brought in cash with which to finance the war, the great war President, Abraham Lincoln, decided to finance the Civil War with non-interest-bearing promissory notes of the Treasury, and the Treasury issued the famous greenbacks of the Civil War, and we all know that our Government was successful in carrying out the operations of that war with that kind of financing. We did not pile up a huge interest load on the people by that process. Here we go into this war with an interest load of over \$2,000,000,000 annually, a \$50,000,000,000 debt, and we have authorized wholesale appropriations that total well over a hundred billion—thirty-two billion in the last appropriation bill, if I recall correctly. Then it is proposed that we provide an inflationary scheme whereby the Treasury can turn over its power to the Federal Reserve and by making some bookkeeping entries continue to pile a load of interest on the people of these United States that they, their children, and their children's children can never pay. We are undermining the financial structure of the Nation, we are undermining the financial stability of the United States, and this condition will be reflected in our dealings with the rest of the world.

Under the inflationary scheme put through in title IV what becomes of the reserves of the insurance companies, of the reserves of our banking system? What becomes of the stability of the financial structure with the eminent gentlemen of the Judiciary Committee

bringing in a thing like that and putting it through under the guise, if you please, of stabilizing the credit of the United States? And then they talk about inflation!

If that is not inflationary I would like to know what it is. That is one provision in this bill to say nothing of all these other schemes to put into the hands of the executive branch of the power conferred by this bill, drastic powers—I do not know what the Members of this House are thinking about in undertaking to consider and pass legislation of this kind.

[Here the gavel fell.]

[Mr. McKEOUGH addressed the Committee. His remarks will appear hereafter in the Appendix.]

By unanimous consent, the pro forma amendments were withdrawn.

The Clerk read as follows:

#### TITLE IV—PURCHASE BY FEDERAL RESERVE BANKS OF GOVERNMENT OBLIGATIONS

SEC. 401. Subsection (b) of section 14 of the act of December 23, 1913 (38 Stat. 265), otherwise known as the Federal Reserve Act, as amended, is hereby amended by striking out of the proviso the words "but only in the open market," so that the proviso will read as follows: "Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities."

Mr. SUMNERS of Texas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose and the Speaker having resumed the chair, Mr. COOPER, chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 2208, to further expedite the prosecution of the war, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. GOSSETT. Mr. Speaker, on behalf of the gentleman from Texas [Mr. MANSFIELD], I ask unanimous consent that he may extend his own remarks in the Record and include a letter from Mr. Wallace McClure of the Cosmos Club on the subject of international executive agreements.

The SPEAKER. Is there objection to the request of the gentleman from Texas, [Mr. GOSSETT]?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for one-half minute and to revise and extend my own remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California, [Mr. VOORHIS]?

There was no objection.

#### PROBLEMS OF THE PACIFIC COAST

Mr. VOORHIS of California. Mr. Speaker, for a variety of reasons I be-

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The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. COFFEE of Washington addressed the House. His remarks appear in the Appendix of today's Record.]

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Record and include therein an article on Mr. Justice Douglas.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[The matter referred to appears in the Appendix.]

#### DEFENSE INDUSTRIES

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. HINSHAW addressed the House. His remarks will appear hereafter in the Appendix of today's Record.]

#### EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to insert, as an example of the use of "refined" English, a letter by the Honorable Harold L. Ickes and the reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein an article appearing in the Fort Wayne papers about the farmers in my district not accepting any more handouts from the A. A. A. for the duration of the war.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. GILLIE. Mr. Speaker, I also ask unanimous consent to extend my remarks in the Record and to include a short article by Dr. Norman Sweet concerning fifth columnists.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a radio address delivered by a former majority leader of the House, Hon. John Q. Tilson.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—DANIEL ELLIOTT AND HELEN ELLIOTT (H. DOC. NO. 641).

The SPEAKER laid before the House the following veto message from the President of the United States:

*To the House of Representatives:*

I return herewith, without my approval, H. R. 4998, "for the relief of Daniel Elliott and Helen Elliott."

The bill proposes to provide for the payment of the sum of \$500 to Daniel Elliott and the sum of \$3,000 to Helen Elliott, both of Baltimore, Md., as compensation for personal injuries and expenses resulting from a collision between an automobile in which they were riding and a truck of the Work Projects Administration.

It appears that on October 29, 1940, Daniel Elliott, accompanied by his wife, was driving his automobile in the suburbs of Baltimore, near an intersection at which a flagman of the Work Projects Administration was stationed. The flagman waved to him to proceed into the intersection. Simultaneously, however, a truck of the Work Projects Administration entered the intersection at a right angle to the automobile and a collision resulted. The conclusion is warranted that the accident was caused by the negligence of an employee of the Work Projects Administration, and that, therefore, the Government should assume responsibility in the matter. Accordingly, the sum of \$343.10 has already been paid to Mr. Elliott administratively as compensation for damages to his automobile.

It is now proposed to pay him a further sum of \$500 to compensate him for hospital, medical, and other expenses which he has incurred, or may incur, for the benefit of his wife, Helen Elliott, who was hurt in the accident.

It is also proposed by this bill to pay her the sum of \$3,000. The evidence indicates that Mrs. Elliott's principal injury was a fracture and dislocation of the right elbow. She was in a hospital for 7 days and stayed away from her employment for a total period of 3 weeks, losing \$60 in wages. She does not appear to have sustained any permanent injuries of such nature as would prevent her from continuing in the occupation in which she was engaged at the time of the accident.

The balance of the proposed payment of \$3,000, amounting to \$2,940, must, therefore, be ascribed largely to pain and suffering. In dealing with claims for personal injuries, it is indeed proper to make a reasonable allowance for pain and suffering. I have frequently approved private bills in which an appropriate award for pain and suffering, in addition to medical and hospital expenses, was proposed to be made. In this case the proposed payment of \$3,000 appears to be excessive and far beyond an amount that would seem reasonable under the circumstances. If the bill provided for a payment of the sum of \$1,000 to Mrs. Elliott in addition to a payment of \$500 to Mr. Elliott, it would have appeared unobjectionable.

I regret that, under the circumstances, I feel constrained to withhold my approval from the present bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 26, 1942.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and, without objection, the bill, together with the message, is referred to the Committee on Claims and ordered to be printed.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 39]

|                   |                 |                |
|-------------------|-----------------|----------------|
| Anderson, N. Mex. | Green           | Fatman         |
| Arnold            | Halleck         | Pearson        |
| Baldwin           | Hook            | Peterson, Fla. |
| Blackney          | Jarrett         | Pierce         |
| Buck              | Jensen          | Rizley         |
| Buckley, N. Y.    | Johnson,        | Rogers, Okla.  |
| Burgin            | Lyndon B.       | Sacks          |
| Byron             | Johnson, W. Va. | Schaefer, Ill. |
| Cartwright        | Kennedy,        | Sheridan       |
| Cole, Md.         | Michael J.      | Sikes          |
| Cole, N. Y.       | Kleberg         | Smith, Pa.     |
| Copeland          | Knutson         | Sparkman       |
| Douglas           | Kramer          | Stratton       |
| Eberharter        | McGranery       | Tolan          |
| Fish              | McIntyre        | Vreeland       |
| Gathings          | Magnuson        | Walter         |
| Gavagan           | O'Day           | West           |
| Gearhart          | O'Hara          | Wolfenden      |
|                   | Osmer           | Worley         |

The SPEAKER. On this roll, 377 Members have answered to their names, a quorum.

Mr. COOPER. Mr. Speaker, I move to dispense with further proceedings, under the call.

The motion was agreed to.

#### WAR DAMAGE CORPORATION

Mr. SABATH, by the direction of the Committee on Rules, reported the following resolution (H. Res. 449, Rept. No. 1828), which was read and referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into a Committee of the Whole House on the state of the Union for the consideration of the act (S. 2193) to



provide for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes. That after general debate, which shall be confined to the act and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the act shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the act to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion, except one motion to recommit.

#### SECOND WAR POWERS BILL, 1942

Mr. SUMNERS of Texas. Mr. Speaker, before moving to go into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, if I may be permitted, it is the purpose of the Committee to hold the House in session today until we finish the bill. If Members will stay in the Chamber, we will have a much better chance to adjourn early.

Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, to further expedite the prosecution of the war.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, with Mr. COOPER in the chair.

The Clerk reported the title of the bill.

Mr. DEWEY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DEWEY: On page 12, strike out lines 6 to 11, inclusive, and add the following by striking out the semicolon after the word "market" of the proviso, adding a comma and the following words: "except that such transactions in such obligations having maturities of 6 months or less need not be in the open market," so that the proviso will read as follows:

"Provided, That any bonds, notes, or any obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market, except that such transactions in such obligations having maturities of 6 months or less need not be in the open market."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. DEWEY. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. DEWEY. Yes.

Mr. SMITH of Virginia. As the gentleman knows, it is my purpose to offer a substitute amendment to the amendment the gentleman from Illinois has just offered, as soon as I can obtain recognition for that purpose, and I am wondering if it would be agreeable to the gentleman from Illinois to have the Clerk

read my amendment now for the information of the House.

Mr. DEWEY. I am agreeable to that.

The CHAIRMAN. Without objection, the Clerk will read the amendment to be proposed by the gentleman from Virginia [Mr. SMITH].

The Clerk read as follows:

Amendment to be offered by Mr. SMITH of Virginia as a substitute for the amendment of Mr. DEWEY: On page 12, line 11, after the word "interest", insert "to an adequate amount, not exceeding \$5,000,000,000."

Mr. DEWEY. Mr. Chairman, the purport of this amendment is to place some limit on the purchase of Government securities by the Federal Reserve banks directly from the Treasury of the United States. It is contended that this power will be used by the open-market committee and the Federal Reserve Board only in times of emergency.

I believe such power should exist in the Secretary of the Treasury and the Federal Reserve Board, cooperating together, to relieve our financial divisions of the Government from any anxiety or from any difficulty at the time of an emergency, but at the same time this is a historical way for creating inflationary movements. It is well known that dealings between the Treasury and a bank of issue generally bring inflationary expansion of the currency. There is always the claim that the power will be carefully used, and used only as an emergency exists, but I still maintain that the Congress should have some hold over the situation.

I admit there are daily reports from the Treasury and annual reports from the Federal Reserve Board to the Congress, but I think that in advance there should be laid down some limits to the amount of securities the Federal Reserve System may purchase from the Treasury Department, or there should be laid down some limit as to the maturity and type of security that they may purchase.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. Briefly.

Mr. GORE. Is there any limit to the amount of securities which the Federal Reserve may now purchase?

Mr. DEWEY. I think \$65,000,000,000 is the amount of the public debt, and under the amendment proposed the Federal Reserve banks could purchase up to the limit of the public debt.

Mr. GORE. My inquiry applies to the amount which can be issued. The gentleman proposes now to limit the Federal Reserve Board in the amount that it may purchase from the Treasury.

Mr. DEWEY. I covered in that statement of mine as to limit the proposed amendment to my amendment by the gentleman from Virginia. My amendment only limits by maturity, permitting the Federal Reserve System to buy only securities that are of 6 months' maturity, to really cover the emergency; to cover an emergency around tax-payment dates when the Treasury needs cash to cover the lag in the receipt of taxes.

Mr. GORE. Mr. Chairman, will the gentleman yield further?

Mr. DEWEY. Briefly.

Mr. GORE. I believe we should all recognize that one thing we want to avoid is a repetition of what happened in the last war when each successive issue bore a higher interest rate. Our debt is now of such proportion that we could not stand that.

Mr. DEWEY. I would answer that directly, but I prefer to incorporate the answer in my general statement. I contended yesterday when speaking that competition between the Treasury Department and the open market does not reduce interest rates. It is the confidence in the securities, and we must have people keep their confidence in the securities. But if there are dealings between the Federal Reserve and the Treasury, that confidence may be lost. For that reason, I believe there should be some limit as proposed by the gentleman from Virginia [Mr. SMITH] or as to the limit as to maturity which will cover short-term periods when an emergency might exist. For that reason, I believe, without any partisanship at all, but thinking very carefully of the future stability of our currency and future stability of our Government securities, that the House should give this matter very careful consideration.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. SMITH of Ohio. This provision in the bill is proposed as a temporary expedient? The provision in the bill is to meet a temporary situation; that is true, is it not?

Mr. DEWEY. That is true.

Mr. SMITH of Ohio. And probably not lasting certainly more than a period of a few months; let us say 6 months?

Mr. DEWEY. That would certainly be all that I could see, for the simple reason that the Treasury has already met probably the greatest emergency they will have to meet, because at the time of Pearl Harbor they had an offering out of over a billion dollars, and it was handled in the old, traditional way that it has always been handled—through the open market.

Mr. SMITH of Ohio. Practically all that you propose is that this be limited to that particular thing—an emergency or a short-period proposition?

Mr. DEWEY. That is what the proponents of the amendment kept mentioning and what the members of the Federal Reserve staff kept reiterating. This is to take care of an emergency situation.

Mr. SMITH of Ohio. In other words, you do not want it to be made a policy of the Government merely for the Federal Reserve banks to take any amount of securities that the Treasury might offer to them?

Mr. DEWEY. They should not, because it is their announced policy that they wish to sell securities to the people and not to the banks.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the chairman.

Mr. SUMNERS of Texas. It is the understanding of the committee, I believe, that that arrangement which the gentleman just mentioned was consum-



mated by agreement in advance on the part of the Federal Reserve banks that they would take this billion and a half issue off of the hands of the purchasers from the Treasury.

Mr. DEWEY. That is always the way, except instead of taking it direct, it has been traditionally customary ever since there has been an open-market committee for the banks to come in and subscribe, and anything that they cannot distribute to the people, the Federal Reserve System, performing the functions for which it was set up, takes that surplus off the hands of the banks and distributors. That was done.

Mr. SUMNERS of Texas. Now, what is the difference, insofar as the strain or danger upon the System—what is the difference in substance if the Federal Reserve banks take this issue directly from the Treasury or these buyers of the bonds, who want to get some profit, take them from the Treasury and then sell them to the Federal Reserve banks?

Mr. DEWEY. I do take exception to saying that an organization of people that has been in business since 1917 is insisting on this in order to get a little profit. They do not do that. It is a service, and they get precious little for it—31¼ cents per \$1,000 bond. But I believe it is an advisable thing to keep the distributing service alive at this time. It would be exactly as if Ford said, "The Ford car will sell itself and we do not need any more agents." We will need a precious number of agents to distribute our defense bonds, and I believe that system should be carried on. If it were an exorbitant fee, or if it was a fee that was demanded to be increased, that would be something different.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the gentleman may have 2 additional minutes. I want to ask him a question.

The CHAIRMAN. Is there objection? There was no objection.

Mr. SUMNERS of Texas. What we are all trying to get at is what is the difference in the strain upon the credit and the power to issue, or in the public danger, between the sale of these bonds by the Treasury directly to the Federal Reserve banks and the sale of these bonds to the distributors who in turn sell to the Federal Reserve banks such of the issue as they cannot distribute otherwise?

Mr. DEWEY. One is the well known and traditional way of distributing Government securities. It has been employed since 1917 from the time of the first Liberty Loan. The other system has a history and tradition of loose banking. There has been so much talk of its use and about what has happened in Germany and what has happened in France that I think it will have a bad psychological effect on our people.

Mr. SUMNERS of Texas. But would the gentleman address his explanation directly to the question, and that is: What is the difference between the perils to the Federal Treasury or Government of Federal Reserve banks buying directly from the Treasury or buying from those to whom the Treasury sells? That is the question.

Mr. DEWEY. I will answer that question. If the Treasury sells to the distributors and the Federal Reserve bank takes the surplus off the distributor's hands, at least some of the securities has stayed in the hands of the public, whereas, if they go directly from the Treasury to the Federal Reserve bank they do not pass through the distributor's hands but later on will have to be distributed—I hope—by the Federal Reserve bank through these same distributors. How will the Federal Reserve bank, unless it intends to purchase and keep these securities, ever get rid of them?

[Here the gavel fell.]

Mr. DEWEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes. I have been very liberal with my time.

Mr. WHITE. Mr. Chairman, reserving the right to object, will the gentleman yield to me during these 5 minutes?

Mr. DEWEY. I will yield as far as I can, but I think the gentleman will agree that for the most part of my time I have yielded to everybody. I have said very little for myself.

Mr. WHITE. I would like to further answer the question of the gentleman from Texas. Will the gentleman yield to me if I do not object?

Mr. DEWEY. I will yield to the gentleman if he will let me use part of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Idaho.

Mr. WHITE. Answering the gentleman from Texas as to these bonds being in the hands of the distributors and the Federal Reserve banks, there is a very great difference between the privileges a distributor would have and a Federal Reserve bank. The Federal Reserve bank could use them as eligible paper for the issuance of currency. The distributor would not have that privilege. Is that right?

Mr. DEWEY. That is right.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. GIFFORD. I want to call the attention of the distinguished gentleman from Texas to the fact that there is a very great difference. The Treasury could call the Federal Reserve banks on a small issue and the public need not know anything about it. You know the power of the Federal Reserve banks to distribute issues if they needed to do so; and the rate of interest can be held down by that method. We all know and can see very plainly where that quiet little method of working together would obviate the necessity of going to the general public, which would demand a pretty high rate if they were for any term of years. I want to say to the gentleman again that the tremendous amount of short-term issues already outstanding will soon require refinancing for a long period.

Mr. DEWEY. My time is running.

Mr. GIFFORD. I am sorry.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Further answering the gentleman from Texas, does not all recent history show that nation after nation after nation in times like these, when they have allowed their treasury to obtain funds directly from central banks of issue, that the temptation is too great to resist and that road leads on to uncontrolled inflation?

Mr. DEWEY. That is the history, and I think that it creates a bad psychology.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield.

Mr. WOLCOTT. Still further answering the gentleman from Texas, the Treasury exerts tremendous power over the Federal Reserve banks and they could not decline to execute the policy of the Treasury. The law at the present time allows the Treasury to dominate the policy of the Federal Reserve Board. Section 10, paragraph 6 of the Federal Reserve Act reads:

Wherever any powers vested by this act in the Board of Governors of the Federal Reserve System or the Federal Reserve agent appear to conflict with the powers of the Secretary of the Treasury such power shall be exercised subject to the supervision and control of the Secretary.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. For just one question.

Mr. THOMAS F. FORD. Did not the Federal Reserve Board have the right to purchase these bonds prior to 1935?

Mr. DEWEY. They had that right until 1935.

Mr. THOMAS F. FORD. And the country did not go broke, did it?

Mr. DEWEY. I have answered the gentleman's question.

Since this war started many, many central banks of issue were ruined simply because the country followed that system; and in every reorganized country after the first World War one of the factors laid down most clearly was that there should be no dealings between the Treasury and the central bank of issue except at arm's length.

Mr. WHITE. Mr. Chairman, will the gentleman yield for a brief question?

Mr. DEWEY. I think I must proceed, my time is running.

Mr. SUMNERS of Texas. I must suggest to the gentleman that I cannot agree to any further extension of time.

Mr. DEWEY. I agree with that.

May I say in closing that I hope this House will view without partisanship but with great care this amendment, which is basic as far as the good of our securities is concerned. I believe there should be some limit somewhere by the Congress over the dealings between the Treasury and the Federal Reserve Board.

Mr. WHITE. The primary objective of open-market transactions is simply a brake on inflation and to control the volume of currency and credit through open-market transactions. Is that not the primary object of that?

Mr. DEWEY. Yes; it is.

[Here the gavel fell.]



Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. DEWEY].

Mr. Chairman, reference was made to the matter of jurisdiction of this legislation, but that question is not before us now. The question of jurisdiction is really not important in comparison to the extreme importance of this legislation. The question now is the passage of the bill. I am glad to give my wholehearted support to title 4 of the bill as reported by the Judiciary Committee.

This provision, as has been stated, would simply restore to the Federal Reserve Act the exact language that was in the original law which obtained throughout its history down to the time of the passage and approval of the Banking Act of 1935. At that time it was thought by some that this method might tend to encourage extravagance. The Senate passed a provision striking from the law the authority of the Treasury to sell its obligations directly to the Federal Reserve banks. It so happens that the distinguished Senator from Virginia, Senator GLASS, who is the author of that provision in the banking bill of 1935 unreservedly approves and supports now the provision incorporated in the bill before us.

The simple fact is that there is not the slightest difference between the different plans for selling these bonds, whether bought by the public or sold directly to the Federal Reserve banks, insofar as the danger of inflation is concerned. Under the existing law they are bought by the banks of the country, and principally by a few banks, mainly in one city. It should be understood by all that the authority of the Federal Reserve banks to issue currency upon obligations based upon Government is just exactly the same with regard to obligations held generally by the general banks of the country as would be the case as to obligations that would be sold directly to the Federal Reserve banks.

Much has been said about inflation. Let me say that it is possible under existing law, this very day, to expand our currency more than \$50,000,000,000 by the use of the gold coverage which we are prepared to supply, and by supplemental Government bonds now available for use by the Federal Reserve banks as a coverage for currency. In addition to that, we have the power to issue three billions in currency and the Federal Reserve Act specifically authorizes the use of eligible paper as cover for Federal Reserve notes. It is possible now, under the present law, to increase our currency more than \$50,000,000,000, which means that we could have an expansion by the use of the currency and credit so created to the amount of more than \$250,000,000,000 overnight. So, with all due respect to the learned gentleman who has just addressed the House, there is no valid reason for opposition to the adoption of the provision of the bill as it stands.

The temporary operation of the proposal is not the only thing that is important. Let us be frank about it. We are engaged in a stupendous task in

financing our part in this unprecedented World War. We do not know how great the demands will become. Let us not disparage the credit of our Government. Let us not throw a monkey wrench into the machinery which is so important and which may become indispensable to the successful financing of this war. We must not hamstring the Treasury and Federal Reserve System in conducting the necessary operation to win the war. That is what we will do if we adopt the proposed amendment. The provision contained in title IV is the most important provision of the entire bill. The proposed amendment would defeat its purpose. It would be more desirable to eliminate the proposal than retain it with the amendment.

[Here the gavel fell.]

Mr. ROBERTSON of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my distinguished friend from Illinois is one of the best-posted men in this House on the subject of Federal financing. He is a former Assistant Secretary of the Treasury, and I would not presume to pit my judgment against his in a matter of this kind. In opposing his amendment, I will tell you whom I am following. I am following the unanimous action of the Board of Governors of the Federal Reserve bank, a private banking system speaking for private capital, even though under some measure of Federal control. I am following the American Bankers Association that has given this bill its approval and endorsement. I have seen two splendid editorials in the New York Times. No one would accuse that paper of advocating inflation, controlled or uncontrolled.

Tom Paine was quoted on the floor of the House this week as saying at Valley Forge:

These are the days that try men's souls.

I quote Tom Paine as saying:

Credit is suspicion gone to sleep.

These are again times that try men's souls; these are the times when people must have confidence in the security of their Government bonds. Let the Government undertake after some bad war news to float a loan of three, four, or five billion dollars to meet a contemplated expenditure which may run at the rate of \$5,000,000,000 per month for the next fiscal year and the open market refuse to take those bonds, suspicion that should be asleep will be struck awake, confidence will be destroyed, and down goes the credit of the Government, pulling after it every bank in this Nation.

A former Senator from Mississippi, John Sharp Williams, a great man, said:

I am a Senator of the United States from Mississippi. The senior Senator from Virginia can justly make the same statement. He belongs to the Nation, and all have respect for his judgment in matters of this kind.

This provision disturbed me, and I went privately to Senator Glass and asked him:

Senator, what must I do?

He said:

Willis, these are critical times. My advice to you is, do not rock the boat,

I am going to vote for this section and against all amendments that may be offered to it. I give you for what you may think it is worth the reasons for my doing so, the Federal Reserve Board, the American Bankers Association, and an outstanding authority of America on the subject of sound fiscal policies.

Mr. SUMNERS of Texas. Mr. Chairman, I should like to see if we cannot arrive at some agreement as to the time for debate on this section. I ask unanimous consent that all debate on this section and all amendments thereto close in 25 minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Chairman, this is a very important amendment and 10 Members are standing seeking recognition. If each of them should have 5 minutes, that would be only 50 minutes.

Mr. SUMNERS of Texas. All right; let it go a little while yet.

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the first place, a provision as important as this has no business in a bill of this kind. The provisions included in this title should receive very careful consideration from qualified Members of the House composing the Committee on Banking and Currency before being brought in here to be hurried through as a part of an omnibus bill.

I am very much interested in the qualifications of the gentleman who is the author of the pending amendment, a banker from the State of Illinois, who I am told was a financial adviser to the Government of Poland. If he was ever a financial adviser to Poland, he certainly should be qualified to deal with shaky finance.

Back in the good old days before the depression of 1929, before all the governments were forced off the gold standard, Poland attempted to circulate brass zloty pieces and tried to make them popular with the people of Poland. James Harvey Rogers, the eminent economist from Yale University, cited Poland as a great example of a shortage of an adequate reserve in support of the national currency, which stymied international business. If a man in this country found a customer in Poland, at the time, when our good friend was probably financial adviser to Poland and when Poland had scanty gold reserves, and if a citizen of Poland went to his Polish bank with Polish money to get exchange to remit for international consignment purchased in this country, he was simply refused banking exchange acceptable in this country because, they said, they could not possibly let their international exchange go out, as it would come back as a draft on their scanty gold reserve. This was a barrier and a blockade to international business. That is the kind of monetary system they had in Poland.

The good chairman of the Committee on Banking and Currency said, "Let us not rock the boat, let us not upset the credit of this country." I am wondering which is worse, an unbearable interest



load piled on the backs of the American people, or the so-called inflation. There was a time in the history of this country when the Members of this Chamber were confronted with a great emergency. There was a shortage of credit and cash. Abraham Lincoln met that emergency by issuing interest-free Treasury notes, so-called greenbacks.

Mr. Chairman, if we are going to issue unlimited credit by the Government, let us not pile an interest load on the backs of the American people, a pyramid that cannot be supported, an inflation that will destroy the financial reserves of this country. Let us take over the Federal Reserve System. Let it belong to the Government. If the American people are going to be forced to pay interest as a control of inflation, let them pay it to themselves.

We do not hear anything from this eminent banker who comes here from the city of Chicago to advise us how to run the banking and fiscal policy of this country about relieving the people of America of the interest load by letting the Federal Reserve banks be taken over by the Government. If there is interest to be paid, if that is the price of controlling inflation, let the American people have that interest and not a little group of bankers who are going to undermine and destroy every financial foundation of this country.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Montana.

Mr. O'CONNOR. Has the gentleman seen any particular evidence of an inflation in the price of mine products or farm products or livestock?

Mr. WHITE. The fiscal record of this country in the last 8 years has exploded every argument, every false statement that has been made here about the use of a metallic money as the foundation of our fiscal system.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, if the amendment offered by my colleague, the gentleman from Illinois [Mr. DEWEY] is not adopted, I fear this will be a very sorry day for the American people. I say this with all sincerity. Whether we who are opposed to inflation succeed in convincing this committee and this House that this title as proposed is bad legislation, I want it distinctly understood that there should be no detraction from the sincerity with which we present this issue. There is not going to be very much satisfaction on the part of any of us who oppose inflation in being able to say, "I told you so," 6 months, a year, or perhaps 2 years from now when property values have been wiped out as they were wiped out in Germany, and when the American dollar has depreciated perhaps 90 percent, as the franc depreciated from its par.

At least, there is some doubt about the feasibility of this legislation. There is doubt as to the necessity of buying obligations direct from the Treasury by the Federal Reserve. That doubt should be

resolved in favor of conservatism and sound fiscal policies. This Congress will be in session for a good many months without very much interruption. The Treasury and the Federal Reserve have not as yet made out a case of necessity. It is all right for individuals to say it must be done, but the chairman of the Board himself tells us that they do not expect to use this power except in case of emergencies.

We are providing the machinery in the Dewey amendment for him to smooth over those periods of disruption without bringing about fear of inflation in the face of an intense effort to finance this war.

Somebody suggested that we should not rock the boat at this time. My heavens, Mr. Chairman, what does this proposal in this bill do but rock the boat? It rocks the very foundation of an otherwise sound economic system. It gives encouragement to the rumors that our bonds are in jeopardy. And let me tell you of a personal experience, if I may be pardoned. My youngster, 12 years old, had \$40 saved up and he said, "Dad, what shall I do with it?" I said, "Go down and buy some Defense bonds and some stamps." He said, "Oh, Billy tells me the bonds are not going to be any good; that we are going to have inflation."

That is the answer to this. My 12-year-old boy talking about inflation in the same breath that defense bonds are mentioned. Here, after struggling for months on a price-control bill to prevent inflation, we are today offsetting all the benefits of that legislation by throwing the very fear of God into the American people who must finance this war effort.

If it is not necessary, if the Federal Reserve has not made out a clear case of necessity, then it is our duty to look into this further before we act.

This is what they say about it. You heard quoted a New York paper. Let me quote an editorial from a New York paper, the Wall Street Journal, which is pretty close to business and industry and banking, and they say:

Considering the 12 Federal banks of the Reserve System as a single central bank, a purchase by any 1 or by all 12 of Government bonds directly from the Treasury would be in its nature the precise equivalent of the transactions during and after the last war between the Reichsbank and the Banque de France and their respective governments. In both those cases the government borrowed from the central bank directly. Both banks were banks of issue and, as all remember, the result was the orgy of inflation which wiped out the German mark and destroyed 90 percent of the French franc. Theoretically, direct borrowing by the Treasury from the Federal Reserve System, if indefinitely continued, would produce the same results with the Federal Reserve currency. At present the law contains provisions restraining this process by imposing a minimum ratio of reserve to be maintained by the System against both reserve deposits of member banks and note issues. Continuance of these provisions in the law would exclude or at least postpone any such consequences as those in the cases of the franc and the mark.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as my remarks will be rather directed to the chairman of the Judiciary Committee I regret that he is out of the room. He asks "What is the difference between these methods." Said the Englishman to the Scotsman, "We are all Englishmen and after all there is very little difference." The Scotsman replied, "Thank God for the difference."

There is a great difference. This limitation is against opening the door making the sky as the limit. The gentleman from Illinois has made it clear that his amendment takes care of emergencies and we should not be asked to go beyond that. Contemplate the danger of this proceeding. No longer would the Treasury have to worry about offerings of securities to the people. You know how these offerings are now made, do you not? The governors of the Federal Reserve bank consult the large bankers as to how much of the issue should be short term and how much long term and what rate of interest they think would have to be offered. There is, of course, a good deal of worry as to whether the public will respond. In recent years, it has usually been decided that only about half of the issue should be for long terms, 5 years, 10 years, perhaps, and the other half should be short-term notes. This seems to have been the plan for the last several years.

Consider the Treasury needing money and quietly calling the Federal Reserve bank and require them to take bonds at a low rate of interest, well knowing their authority or influence in distributing them quietly to member banks.

I have heard it said here that the banks suffer no duress in being forced to take these issues. Not true. Some large bank in some large city would act as agent for the Federal Reserve. They call up the other member banks and say: "You have been allocated so much." Sometimes these banks reply: "We do not want them." Then the answer is usually this, as one of the directors of a bank has told me, and I can well believe it is quite true, "If you do not take this allocation you might be placed on the black list of the Federal Reserve. Sometime you might have a little difficulty in discounting with them." Direct statement need not be made, a slight suggestion would be all that would be necessary. This should be expected and only slight pressure would be needed. It is perhaps proper that they should use this pressure, but do not attempt to deny that they do not do it. What bank would dare to refuse to accept the allocation? They usually accept but often sell the bonds as early as possible.

This present proposal is an easy way of financing the Government and holding down interest rates. I have often argued on this floor that it is a pity that the savings of our people could not command a little more interest and a higher return on their investment.

Now, there is a great difference in this language and the Dewey amendment. The Dewey amendment fully takes care of any emergency. It is a protective sug-



gestion. I want to remind the chairman of the Judiciary Committee, the gentleman from Texas, who twice recently has lectured the House on the dangerous pace we have been traveling, and that he had voted for many things that he, perhaps, ought not to have voted for. He advised us to watch our steps in the future. Before he delivers any more of those lectures I want some votes of his to prove that he means what he says, and here is a splendid opportunity for him to apply the brakes. Like Pat, in handling live electric wires, he said, "I feel them very carefully before I take hold of them." We all appreciate the possible danger of this legislation, and here is a chance to place a limitation. Later on, if the necessity arises, as it may, we will grant further authority. We will weigh the wisdom displayed by those in authority in the use of the power already granted. The gentleman from Virginia [Mr. ROBERTSON] said that he was going to take the advice of the Federal Reserve Board. Take the advice of a board or commission that desires the power? Doubtful advice, is it not? Are they the best ones to advise us when we know their great thirst for more and more unusual powers?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last two words. First, I want to answer the question raised by the gentleman from Texas [Mr. SUMNERS]. I see he is not on the floor at the present time, and I wish he were. If I understood his question correctly, it was this: What is the difference between the method of financing as provided in title IV of this act and the policy of the Federal Reserve in buying in the open market at the present time? It may be that I confuse somewhat the question asked by the gentleman from Texas [Mr. SUMNERS]. It may be he asked the difference between the method of financing proposed under title IV and the present method of distributing bonds and Government securities to the commercial banks through the Federal Reserve System.

What is the difference between financing proposed under title IV and the present method of buying in the open market? The difference is this, and it is very vital. When the Federal Reserve buys in the open market at the present time, it pays for the securities it purchases with its assets, with the assets of the Federal Reserve bank. There is an exchange of value for value. Under title IV what the Federal Reserve bank will do is this: It will set up to the credit of the Treasury the amount of the securities which it takes over.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I would rather not yield now. It sets up a credit to the Treasury for the amount of securities it takes from the Treasury. Then the Treasury merely issues checks against this credit to pay its current obligations. In effect, what actually happens is this: For the time that the Federal Reserve bank holds these securities, it does nothing more or less than print money, and

when it disposes of those securities, if it should dispose of them through the commercial banks, it may still be simply carrying on the process of printing money. Nevertheless, we should understand the difference between the proposal in title IV and the present open-market policy. In the one instance, the Federal Reserve pays for the securities it takes over with its assets. In the other case it merely sets up a credit in favor of the Treasury.

There is, however, no fundamental difference between the policy of purchasing securities by the Federal Reserve under title IV of this proposed act, and the present method or policy of distributing the securities to the commercial banking system. In the end both are simply processes of printing money. We have gone a long way from orthodox financing. I now yield to the gentleman from California.

Mr. VOORHIS of California. I agree with the gentleman completely in his statement that the Federal Reserve, when it takes these bonds, will buy them with new credit which it creates, and also with the statement that there is no difference between that and the sale of bonds to the commercial banks, but I do not agree with the statement that the Federal Reserve bank uses assets to buy bonds in the open market. I believe they use Federal Reserve credit, backed, it is true, by their power to create notes, if those notes are asked for by the bank; but I am not quite positive that is what the Federal Reserve banks use when they purchase bonds on the open market. It is merely Federal Reserve credit.

Mr. SMITH of Ohio. The gentleman is perhaps 60 percent right, with respect to the situation to which he refers, where Government securities are used as collateral for Federal Reserve notes. It should be remembered that even where Government securities are so used the Federal Reserve Act still requires 40 percent gold coverage for the notes.

Mr. VOORHIS of California. There would have to be when the notes are issued. They must be backed by some power of the Board to create the notes, but that is the same power as the power to create credit.

Mr. WHITE. The gentleman from California says they do not use assets. Does the gentleman say they have credit without assets?

Mr. VOORHIS of California. I say precisely that.

Mr. SMITH of Ohio. The statements I have made are on the basis solely of the provisions in the Federal Reserve Act.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SMITH of Virginia. Mr. Chairman, I offer a substitute amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia as a substitute for the amendment offered by Mr. DEWEY: On page 12, line 11, after the word "interest", insert "to an aggregate amount not exceeding \$5,000,000,000".

Mr. SMITH of Virginia. Mr. Chairman, I think many of us at least will agree that the next worst thing to losing this war would be wild, uncontrolled

printing press inflation. A good many of us are afraid that is just about what this is going to lead to. I think everybody here wants to give to the Treasury and to the administration every power that is necessary to win this war, but I think we do not want to give them any powers that are not necessary.

This matter caused a good deal of discussion in the Committee on Rules when we had the application for the rule before us. Mr. Goldenweiser, economist from the Treasury Department, came to talk to us about it. He said very frankly that the transactions contemplated here would be just the creation of money. I have always understood that the creation of money was just another name for inflation. I do not want any more inflation than we have to have. So I have offered what I think is a common sense solution of the difficulty, which will give to the Government all the power that they said they needed. All the power they said they needed was the power in instances such as Pearl Harbor, where an offering of bonds was imminent and where there was a fear that by reason of some disaster that might occur the bond market would be demoralized for the moment, and that therefore they needed this power only in case of emergency and did not expect to use it except in cases of emergency. Therefore, I have offered what I regard as a very practical proposition, namely, to give them the right to do what they ask to do, but put a ceiling of \$5,000,000,000 on it. That gives them everything they need. Why give them something they say they do not need, which will have the danger of printing press money?

I am not criticizing anybody and I am not saying it is going to happen, but when we are dealing with legislation, when we are granting powers, we must be careful that the powers which we grant are not so great that something unforeseen and unintended may happen. That is exactly what I am trying to do.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Just excuse me for a moment.

Now, you can readily see that with this created money, if it was desired to be done, all they would have to do would be to take a truckload of bonds from the Treasury down to the Federal Reserve every morning and bring back a truckload of printing-press money and scatter that throughout the country. Now, that can happen under this bill. Why let it happen, when by a limitation of \$5,000,000,000 on the aggregate we can prevent such a thing happening?

Mr. DEWEY. Will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. DEWEY. I would say that I think the gentleman's amendment is doing just exactly what my amendment attempted to do, and I would be willing to withdraw my amendment in favor of his.

Mr. SMITH of Virginia. I thank the gentleman.

Mr. MAY. Will the gentleman yield?



Mr. SMITH of Virginia. I yield to the gentleman from Kentucky.

Mr. MAY. The only thing you limit them on is the amount?

Mr. SMITH of Virginia. Only the amount. It is just as if you went down to the bank to get yourself a line of credit, and the bank said, "We will give you a line of credit of \$5,000." You say, "I may need \$10,000." The bank says, "All right. Go out and spend that \$5,000, and if you do it wisely, you come back and we will give you another line of credit." That is all I am asking to do for the United States Treasury.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, yesterday in speaking on this matter I left the impression that I would support the Dewey amendment, under certain conditions. I stated at that time that I had not discussed it with Mr. Dewey. Since then I have had occasion to read the amendment offered by the gentleman from Illinois. I do not believe I could go along with that at all, because, as I understand it, it would tend to drive all of the paper issued under this particular title into 6 months or less as to maturity. Is that correct?

Mr. DEWEY. It would attempt to cover what has been usual in the past, that is, a temporary emergency, which would be supposed to be of less than 6 months' maturity. They would refund those 6 months or less maturities with permanent securities.

Mr. CRAWFORD. Now, if we run into a situation where it would be extremely difficult to refund, then your debt would tend more and more to move into short-term paper, which to me is terribly dangerous. That is about the only objection I have to the demand call feature of the present Defense bonds. We are building up potential billions of dollars of call on the Treasury by the holders of Defense bonds who can come and call for the redemption of those bonds. So, I think the gentleman from Illinois is very smart in offering to accept the substitute amendment offered by the gentleman from Virginia [Mr. SMITH]. I am in favor of the Smith amendment and would be glad to support that. That amendment, as I understand, limits the amount to \$5,000,000,000 the Reserve banks are to purchase and hold at one time. Should this prove insufficient, Congress could certainly amend and increase to the amount experience requires.

I think that \$5,000,000,000 would take care of at least 60 days financing of this type on a 60 billion annual budget, or on a basis of 5 billion a month outgo from the Treasury. So it seems to me a 60-day authorization would probably be all that the Board of Governors or the Treasury would come up here and attempt to justify. I have not talked to either group since the bill was called up; I do not know what their present position is except what I have heard in the debate and read in the Record, but I do not believe they would aggressively try to obtain more than a 60-day coverage.

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. EATON. Since this legislation is of such profound importance to the future of this country and there is such a difference of opinion as to its validity and practicability, why would it not be a good thing to cut out title IV entirely, refer the thing to the Banking and Currency Committee and have a bill brought in here after proper hearings, a bill that we could agree on?

Mr. CRAWFORD. I do not suppose the members of the Banking and Currency Committee would object to that, and I do not know that the Board of Governors or the Treasury would object to it, or that anybody else would object to it, but that is simply something for the committee to decide upon.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WHITE. Does the gentleman approve or favor the differentiation made between the character of the so-called defense bonds and these bonds that have been subscribed to by the banks of the country?

Mr. CRAWFORD. The defense bonds are not negotiable; you cannot trade in them on the open market, and the amount you put into them is guaranteed back to you by the Government. This is a matter I contended for as far back as 1935, and if we are going to have elevator boys, washwomen, shoeshiners, and many other people in the low-income brackets buy them, then let us guarantee them against market decline and fix it so they will not lose their little grubstake.

Mr. WHITE. Does the gentleman believe it would be an unpatriotic thing for those people to demand that they have the same kind of bonds that were given to the banks?

Mr. CRAWFORD. Let them demand what they please, because whether you sell any Defense bonds or not, the war is going to be financed. If they cannot finance it through selling bonds to the people, then they will finance it through creating money out of nothing, which this very proposition does. I think the Defense bonds are more acceptable to the individuals than the open market issues being sold to banks. Individuals may buy long- or short-term bonds.

Mr. WHITE. Would the gentleman be in favor, then, of creating money without interest rather than piling up an interest load on these interest-bearing bonds? How does the gentleman stand on that proposition?

Mr. CRAWFORD. Insofar as financing the war is concerned, we will finance the war. The problem is this: What are you going to do with the debt structure in the post-war period? That is what I was thinking about yesterday when I advocated heavier taxes.

Mr. WHITE. Would it be better to pile up the interest load or to reduce it by issuing non-interest-bearing notes?

[Here the gavel fell.]

Mr. RANKIN of Mississippi. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the present Federal Reserve Act is bad enough. I am not sure that this bill helps it very much,

but I am sure that these amendments would make it worse. We might as well understand the situation. If the Congress had done its duty, in my opinion, we would have taken over the Federal Reserve banks and stopped the Government from paying interest on its own money.

These amendments would simply tend to hamper the system that we now have of issuing currency for the financing of this war without improving it.

It is utterly impossible to finance this war on the present price levels. If something is not done, we not only run the risk of a crash but we will probably invite repudiation. It is necessary to make some modification; and so far as I have been able to see, with the exception of the proposal to take over the Federal Reserve banks, this bill as it came from the committee is about the best proposition that has come before us.

I think the amendment offered by the gentleman from Illinois [Mr. Dewey] would probably destroy the bill; and the amendment offered by the gentleman from Virginia, instead of starting us out, as he said, on wholesale inflation, would start us out on a policy of deflation at a time when expansion is necessary because we have more Federal Reserve notes out now than his amendment would provide.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. RANKIN of Mississippi. For a question, yes.

Mr. SMITH of Virginia. I believe the gentleman from Mississippi for many years has been a very distinguished advocate of outright inflation. Am I right?

Mr. RANKIN of Mississippi. No; if the gentleman from Virginia had been listening he would be better informed. I have advocated from the very beginning a controlled expansion of the currency, in order to raise the price level and enable us to raise revenue sufficient to carry on the Government instead of going out on a very different kind of policy of borrowing from the rich and spending it by the billions in an effort to restore prosperity by artificial means. That policy has brought us to the predicament we are in today when we are going to have to do something drastic in order to raise money to carry on the war.

Senator THOMAS of Oklahoma and I introduced a bill in 1933, which finally became law, giving the administration the right to issue \$3,000,000,000 in currency against the gold we then had. If that policy had been carried out, if we had had a reasonable, controlled expansion of the currency, commodity prices would have risen, we would not have continued in the depression. If we had followed that policy, instead of starting out on a policy of borrowing from the rich and giving to the poor, this country would have been enjoying a period of unprecedented prosperity for the last 7 or 8 years.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. RANKIN of Mississippi. I yield to the gentleman from Virginia.



Mr. SMITH of Virginia. I wonder if the gentleman from Mississippi will inform us as to the difference between what he terms controlled expansion of the currency and inflation?

Mr. RANKIN of Mississippi. When you take the lid off and just permit uncontrolled inflation by issuing unlimited volumes of currency, as they did in Germany and Russia just after the last war, which the bankers and you banker-minded Congressmen have harped on so much, where it was tied to no metallic standard, where there was no limitation on it and it was done for the sole purpose of wiping out internal debts, you run into disaster. If we had followed the policy, on the other hand, laid down in the bill passed in 1933 for a limited, controlled expansion, with a 40-percent gold reserve behind every dollar, we would have raised prices to their normal levels, we would have been able to fight our way out of the depression and for the last 7 or 8 years this country would have enjoyed a reasonable measure of real prosperity. Then we would have had no relief rolls. Our farmers as well as our industries would have recovered from the depression, and the Government would have saved billions of dollars.

May I say to the gentleman from Virginia that it was not a wild and uncontrolled inflation in World War days that brought about the depression of 1920 and 1921. We had an expansion during the World War that raised commodity prices to new levels. But when the war was over, this same group that now seems to control the Federal Reserve banks secured control and through the Governor of the Board, W. P. G. Harding, brought about a ruinous deflation. That is your danger now, and it will be your danger when this war is over. That is the reason I want this power to coin money and regulate the value thereof back in the hands of Congress where the framers of the Constitution placed it. That is the reason I supported Senator OWEN, of Oklahoma, at that time instead of the distinguished Senator from Virginia [Mr. GLASS] who is largely responsible for the present Federal Reserve System that, in my opinion, has caused most of our troubles for the last 20 years.

Mr. Chairman, I am going to vote against both of these amendments. As I said before, the Federal Reserve Act is bad enough. Probably the committee amendment improves it a little. But I feel certain that these two amendments, or either one of them, would be a detriment to the country.

[Here the gavel fell.]

Mr. BURDICK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have waited for this opportunity for 8 years. I see around me all the financial experts of Congress, and I am going to ask them two or three questions, then leave the floor. If they can answer any one of them I will never take the floor again on this subject. Instead of issuing bonds and having a fight over the interest, which by the end of July 1 this year will amount to the expense of Government almost, and I refer to the interest on those bonds, why do you not cut it all out and issue the

money in each instance, issue the currency instead of issuing the bonds?

Here is my first question: Is there anything behind a bond that is not also behind a piece of paper money? Now, some of you experts answer that.

Mr. HOFFMAN. Mr. Chairman, I am no expert, but if you let these fellows down here issue all the money they want to, there would not be any limit. There is a limit to the bonds you may sell.

Mr. BURDICK. I am satisfied that the gentleman from Michigan could not answer the question even if he were an expert.

Here is the second proposition. This is not an "ism," this is not an imaginary program. This is a program that we put into effect one time when we were in just the same situation we are in today. During the Civil War we issued over \$400,000,000 of fiat money. The gentleman from Kentucky this morning showed me one of those bills. The people have never paid a cent of interest on those since 1865. If you want to pile up an interest load that will become bigger than the cost of government, then you stick to your banker system. If you want to fight for the American people, issue the money and cut out these bonds.

Mr. HALLECK. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman is in favor of printing money and issuing it instead of issuing bonds. Would he also be in favor of printing the money and issuing it instead of taxing the people to pay any of the expenses of Government?

Mr. BURDICK. The question answers itself. The only way that the money would be retired is through taxation and through income from other sources.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from California.

Mr. VOORHIS of California. Is not the gentleman willing to agree with this statement: You can get inflation quite as well by having the bankers create money against Government interest-bearing debt as you would get if the Government itself created too much money, either in the form of cash or credit. What is going to happen in both cases is there have to be proper limitations to maintain a stable relationship between the total volume of money in circulation and the amount of actual production.

Mr. BURDICK. The gentleman from California is precisely right. They would not be apt to issue any more currency than they would bonds. You would issue enough to carry on the business of this war, as you did before.

Let me tell you something. If you had today to pay the interest on the Lincoln currency, or the Lincoln bonds, if you should call them bonds, of \$450,000,000, it would cost you \$2,000,000,000.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Idaho.

Mr. WHITE. When we went into the Civil War we did not have \$50,000,000,000

of debt, and we did not have a \$2,000,-000,000 interest load as a handicap.

Mr. BURDICK. I presume the gentleman is right.

I am going to leave these two questions with you: Why can you not issue the currency? Why do you want to issue the bonds and keep up this interest system, when it will amount to more in 1943 than the cost of this Government? Why do you do it, you experts?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as Amos said to Andy, "Where is we?"

From the time the Federal Reserve System was established in 1913 until 1935 that System had authority to buy bonds directly from the Treasury of the United States. In 1935 it was changed by an amendment in an act that went through this Congress. It is now proposed by title IV of this bill to restore the power that existed from 1913 to 1935. The question arises, Why should it not be restored? What is the difference between buying bonds directly from the Treasury and buying them in the open market?

There is much difference between buying bonds from the Treasury and buying them in the open market. The first thing you do, of course, is to weaken the stabilizing function of the open-market activity. The whole purpose of the Federal Reserve's activity in shopping in the open market is to sell bonds and siphon money from the market. Its purpose is to buy bonds and put money into the market. It is a stabilizing operation.

Is there any stabilization in taking the bonds as they roll from the printing press and hauling them down to the Federal Reserve? There is no stabilization whatever. What you do is to make a bond repository out of the Federal Reserve for the issuings of the Treasury Department. If the amendment is not adopted, there is no limit to where you can go in piling up these bonds in the Federal Reserve System.

The second difference between buying bonds from the Treasury, as is proposed in title IV, and buying them in the open market is that you cannot buy a bond in the open market until it is in the market. How does it get into the market? The Treasury issues it. Before it goes into the market it has to have a maturity. Before it goes into the market there has to be an agreed interest rate. The rate has to be conditioned upon the condition of the market and what it will accept. You can send these bonds to the Federal Reserve out of the Treasury if you like—and there is no limitation—without any interest rate whatsoever. It may never be done, but the permissive authority in this bill makes it possible.

They say they will not use the power. Can we be sure? They say it is permissive. Can we be sure? They say it is temporary. Yes; the Silver Purchase Act was temporary in 1934, and it has cost us \$1,400,000,000 worth of useless, sterile, barren silver, for which we paid a sub-



sidy of \$500,000,000. It is still on the books.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Not now.

Mr. WHITE. The gentleman does not want to be informed, then.

Mr. DIRKSEN. Mr. Chairman, I do not care to be interrupted.

The Reciprocal Trade Agreement Act was temporary. It has been on the books for 8 years.

Do not be deluded about this sort of thing as to whether or not it will be used. There are \$2,250,000,000 of these bonds in the Federal Reserve today. It was so stated in the Senate. The amendment will be salutary in placing thereon a limit of \$5,000,000,000 on bonds from the Treasury. The reason for it is that you will not then be able to monetize the whole debt through the Federal Treasury and the Federal Reserve System.

If the interest rate goes to nothing, then according to my friend from Mississippi there will be no difference between issuing a piece of green paper called currency and issuing a bond. The gentleman from North Dakota says, "What is the difference?" There is a lot of difference. Anyone can see that the only amount of currency that remains in the market is the amount that is used because of the necessities of trade, industry, and commerce. Instead of there being \$12,000,000,000 in currency, suppose you have \$60,000,000,000; what happens? It goes right back to the banks. Then what? It is impounded, it is useless, and we have to go through the same process all over again, until finally you get to the condition that existed in Chile just a few years ago, when a pair of ordinary shoes cost \$250.

That is the answer. There is no need of belaboring this point any longer. This could be a dangerous provision. I do not say it is; but this title standing in the naked language in which it was submitted to the House could be a very dangerous power, indeed, if it were used and had to be used without limit. Let us put a limit on this pipe line from the Treasury Department to the Federal Reserve by at least adopting that amendment. It will have a wholesome effect on the country.

[Here the gavel fell.]

Mr. KEAN. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I must say that I agree with almost everything the proponents of this bill say with reference to this title, for the practical workings of the proposed methods of financing would actually be no more inflationary than are the present methods.

What is the great difference between buying bonds directly from the Treasury or letting the Treasury sell bonds first to, say, the Chase Bank, and then having the Federal Reserve banks buy the same bonds from the Chase Bank? Both methods are highly inflationary.

But, in spite of these facts, I am supporting the Smith amendment. Why? Because inflation is largely a question of psychology. This title permits one branch of the Government, the Treasury, to sell bonds direct to what to all intents

and purposes is another branch of the Government, the Federal Reserve, which provides the funds either by establishing merely a book debit or uses the bonds themselves as security to print the money to pay for them. Certainly in the eyes of the public this will not look like a real sale but only a scheme for printing-press money.

Today inflation is a touch-and-go proposition, and anything which might frighten the people should be avoided. As this is the same method which was used in France and Germany to bring about inflation, many people rightly or wrongly fear its consequences. The provisions of the Smith amendment should be sufficient to take care of all emergencies and would not subject the morale of the people to any question as to future buying power of the dollars which we are asking them to place in defense bonds. Any inflation psychology must be avoided at all costs at this time.

Mr. DEWEY. Mr. Chairman, I move to strike out the last two words.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a minute to see if we can arrange some limit with regard to debate?

Mr. VOORHIS of California. Mr. Chairman, I have another amendment I want to offer to this section.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, is the 20 minutes in addition to the time that has already been allotted to the gentleman from Illinois [Mr. Dewey].

Mr. SUMNERS of Texas. It would include that time.

Mr. WOLCOTT. Can the gentleman from Texas give us any assurance there will not be other amendments to this provision?

Mr. SUMNERS of Texas. I would not want to undertake that.

Mr. VOORHIS of California. Mr. Chairman, I have an amendment to this title.

The CHAIRMAN. If the Chair may be indulged a moment, the Chair is advised by the Clerk that there is only one amendment pending on the desk to title IV, and that is the one offered by the gentleman from California [Mr. Voorhis].

Mr. WOLCOTT. Does not the gentleman believe that the limitation should be on the pending amendment and not all amendments to the title?

Mr. SUMNERS of Texas. Then I ask unanimous consent, Mr. Chairman, that all debate on this amendment and all amendments thereto, close in 15 minutes exclusive of the time of the gentleman who now has recognition.

The CHAIRMAN. Does the gentleman make that request with respect to the amendment offered by the gentleman from Illinois and the substitute amendment offered by the gentleman from Virginia [Mr. Smith]?

Mr. SUMNERS of Texas. That is correct.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that

all debate on the amendment offered by the gentleman from Illinois [Mr. Dewey] and the substitute amendment offered by the gentleman from Virginia [Mr. Smith] close in not to exceed 15 minutes, exclusive of the 5 minutes already allotted to the gentleman from Illinois [Mr. Dewey]. Is there objection?

There was no objection.

Mr. DEWEY. Mr. Chairman, in addressing the House this morning relative to the amendment I offered I stated that the main purpose of the amendment was to take care of the requirements of the Treasury Department during any possible emergency, but at the same time to somewhat limit what they might consider was the emergency requirement. I like the amendment offered by my colleague the gentleman from Virginia [Mr. Smith], and am prepared to withdraw my own amendment, because his amendment sets a definite limit in dollars as to the amount of securities the Treasury may sell directly to the Federal Reserve System, and, as I understand, have outstanding in an aggregate amount at any one time. I would like to ask the gentleman from Virginia if what I have stated is his understanding.

Mr. SMITH of Virginia. That is my understanding. The only limitation imposed by the amendment is that the Treasury cannot sell directly to the Federal Reserve in excess of \$5,000,000,000.

I would like, if the gentleman will yield further, to make this statement. I have been asked two or three times what limitation this imposes upon a Federal Reserve bank to own bonds. It imposes no limitation. A Federal Reserve bank has the right to buy bonds in the open market, or to own bonds, or to acquire them in any way other than directly from the Treasury, and that right is not affected in any way, shape, or form by either the amendment of the gentleman from Illinois or the amendment which I have offered. The sole limitation this places is that in the aggregate the Federal Reserve cannot buy directly from the Treasury more than \$5,000,000,000 worth of bonds.

Mr. DEWEY. Mr. Chairman, I ask unanimous consent to withdraw my amendment to title IV.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SMITH of Virginia. Mr. Chairman, I now offer my amendment as an original amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 12, line 11, after the word "interest", insert "to an aggregate amount not exceeding \$5,000,000,000."

Mr. McLAUGHLIN. Mr. Chairman, we have all been very much interested and I am sure entertained by the discussions of the general subject of money and monetary policy. As a member of the Committee on the Judiciary which held hearings on this bill, I should like to be permitted in these closing moments to address myself to the title under dis-



cussion, title IV. Let us get back to the fundamentals of the case. Title IV, Mr. Chairman, merely proposes to remove from the existing law that provision which restricts the Federal Open Market Committee of the Federal Reserve System in its purchases of Government obligations to purchases on the open market. If title IV is enacted, the Federal Reserve System can buy either in the open market or directly from the Treasury. It may proceed either way it sees fit. The Chairman of the Federal Reserve Board testified before our committee and stated that in the opinion of the Federal Reserve Board, this power to purchase in either way it sees fit is essential in this time when our country is in its war crisis. You will note particularly in the report the statement on page 8 that it was represented to this committee that this power will not be used as a substitute for the ordinary method of financing Government securities, but will be used as an extraordinary power at times when the stability of the market may be otherwise impaired. The main objection to this title running current through this whole discussion is that if it is enacted, it will be inflationary in effect. I am not going to ask you to be governed by my words on the subject. We have listened with interest and respect while a great many Members discussed the matter. I now quote another whose words, we will all agree, are worthy of our solemn and most respectful consideration. I refer to the distinguished gentleman from Virginia, the author of the Federal Reserve System in 1913, Senator CARTER GLASS, who says, and I ask the attention of the committee, because it seems to me that this is the heart of the whole controversy:

It is represented to me that it is necessary in the case of such an emergency as occurred by the action at Pearl Harbor. I do not think there will be a recurrence of that sort of incident, and it ought not to have occurred when it did occur; but there is nothing of a mandatory nature provision relative to the purchase of bonds by the Federal Reserve banks. They need not purchase a dollar of bonds unless they want to do so; it is altogether permissive.

I do not care much about it. I do not think it is going to result in any inflation whatsoever, because I do not think the Federal Reserve banks are going to buy Government bonds unless they want to buy them, and unless it is to the interest of the banks to buy them. The Federal Reserve banks are not owned by the Government; they are owned by private authority; they are owned by the stockholder member banks of the respective districts, and the Government cannot force the banks to buy its bonds unless they want to buy them.

The gentleman from Illinois [Mr. DEWEY] and the gentleman from Michigan [Mr. WOLCOTT] both quote from a letter from Professor Spahr, the economist.

Mr. DEWEY. Oh, I rise to correct that. I did not quote from him. That was in the original act.

Mr. McLAUGHLIN. The gentleman quoted the law. Mr. Chairman, I have in my possession a letter from the general counsel of the Federal Reserve Board, the Honorable Walter Wyatt, who for many years has occupied that posi-

tion. He states that the law quoted relates to possible conflicts of jurisdiction between the Secretary of the Treasury and the Governor of the Federal Reserve System, and has nothing whatever to do with the Federal Open Market Committee, which is the only body having any power to require the Federal Reserve banks to buy Federal bonds. Mr. Chairman, the additional question may arise as to whether, if you give this power to the Federal Reserve System, it will be exercised in an inflationary way. I submit that the record of past performance of the Federal Reserve System demonstrates that it will not. I call attention to the fact that the Federal Reserve Board on December 31, 1940, submitted a report to the Congress in which it urged specific recommendations to hold down inflation. In other words, the Federal Reserve Board is not an inflationary board—not actuated by inflationary motives. It is against inflation. There is nothing inflationary about title IV. I submit it should be enacted in the form in which it appears in the bill.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion of the gentleman from Michigan.

The Clerk read as follows:

Mr. WOLCOTT moves to strike out all of title IV, as a substitute for the Smith amendment.

The CHAIRMAN. That is not a substitute and it certainly is not a preferential motion.

The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were ayes 84 and noes 92.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. SMITH of Virginia and Mr. McLAUGHLIN.

The Committee again divided; and the tellers reported there were ayes 128 and noes 93.

So the amendment was agreed to.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment, which is at the desk.

Mr. SUMNERS of Texas. Mr. Chairman, I wonder if we may not reach some agreement as to time for closing debate on this section? I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I have not yet heard the gentleman's amendment. I think many of us are in the same position.

The CHAIRMAN. Does the gentleman object to the request?

Mr. SUMNERS of Texas. Mr. Chairman, I will withdraw the request for the moment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California: On page 12, line 11, strike out the period and the quotation marks at the end of the line and add the following: "And provided further, That all obligations of the United States bought directly from the Treasury by any Federal Reserve bank shall be non-interest-bearing obligations."

Mr. VOORHIS of California. Mr. Chairman, I offer this amendment because it is right. Other Members have made parts of my speech today over and over again. Other Members have pointed out that the Federal Reserve banks are privately owned institutions. They have also pointed out that when the Federal Reserve banks purchase obligations from the Treasury they do it with new money which they create for the purpose—generally in the form of credit upon their books. In other words, by that transaction the American people would be paying interest to a private institution when that private institution exercised the fundamentally governmental power of monetary creation. My amendment seeks to make that impossible.

I know two objections that will be raised to it. One of them will be to say that you need to have these bonds so that they can be sold by the Federal Reserve if desirable, and that they could not sell them if they did not bear interest. Of course that is true, but if the time comes when a further amount of interest-bearing bonds can be put on the market by the Treasury, the Treasury could then sell those bonds and redeem the non-interest-bearing bonds which the Federal Reserve had taken, if that were wise policy.

Another argument will be that you need to compensate these Federal Reserve banks for their work in handling the Government account. I submit that at present since they hold, two and one-quarter billions of Government interest-bearing obligations, and the yield from that alone is \$50,000,000 a year, I think they can get along. Member banks have received their 6-percent dividends regularly all through the depression and still, even in these years, a surplus considerably in excess of the paid-in capital has been accumulated.

There are three ways to finance this war. One is by taxes. The other is by real borrowing, whereby the Government obligations are sold to people who buy those obligations with money or credit that they have in their possession and which they give up in order to buy the bonds. The third method of financing the war is by what I call false borrowing. It is by money creation, which, however, takes place at present through the banks who create credit, backed in the end by the power of the Federal Reserve to issue Federal Reserve notes and then loan that credit to the United States Government by purchasing interest-bearing obligations.

The gentleman from Virginia [Mr. SMITH] offered an amendment which limited to \$5,000,000,000 the amount of bonds that could be bought directly by the Federal Reserve. In my judgment that would not have made the slightest bit of difference in the amount of total bonds that would have been sold in this



way. As the chairman of the Committee on Banking and Currency previously explained today, there is no essential difference between selling these bonds to any commercial bank or selling them to the Federal Reserve banks, so far as bringing about the creation of new money is concerned. Had the gentleman's amendment been a limitation on the total amount of bonds that could be sold to any bank for newly created money, it would have been a very different proposition, and one very appealing to me as a matter of monetary principle. Because if you want to avoid inflation, if you really want to do it, the important thing is not who creates the money, not whether an interest burden is unjustifiably placed on the American people, but whether or not new money is created by anybody on the one hand, or on the other hand whether the war can be financed by means of taxes and the sale of bonds to the people for their real purchasing power which they give up to their Government temporarily.

I voted against the Smith amendment because it would only limit sales to the Federal Reserve—not to banks generally. It would not have prevented the manufacture of money by the banks—a thing which could happen in the colossal amounts already set forth today by the able chairman of the Banking and Currency Committee [Mr. STEAGALL]. Therefore the Smith amendment would only have narrowed very sharply indeed the chance of the Federal Reserve to act in time of emergency and to keep down the rate on Government bonds.

My appeal for my amendment is very simple. I think it indefensible to expect the American people to pay interest to a private banking institution when all that private banking institution does is to create money and purchase from the people's Treasury an interest-bearing obligation.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, the gentleman from California has very thoroughly explained his amendment. It ought to be understood by everybody in the House. I ask unanimous consent that all debate on this amendment do now close.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, I would like 3 minutes.

Mr. SUMNERS of Texas. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this section and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 3 minutes.

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Chairman, we are going to have an election in November and you gentlemen are all interested just the same as I am. I want to be reelected and come back here and I suspect that some of you have a similar

desire. There are a lot of farmers in my district. They want some more money. Most people do. They have been getting a whole lot of money in the last few years from the Government, but they want more. That is nothing abnormal. Over in the Senate yesterday, they passed a little legislation which will give the farmers some more money. I would like to go along and give my farmers some more money. Then some of them may vote for me. That would be a natural reaction. Up in Michigan the C. I. O. wants \$300,000,000 from the Federal Government to be handed out to those of its members who are temporarily out of jobs. They want something like \$24 a week for 20 or more weeks, though under State law they would get something like \$20 a week for a limited period. The farmers do not get anything while they are waiting for the crops to grow nor while the cow is dry. My district is thoroughly organized by the C. I. O., even my little home town; and those fellows are not going to vote for me—at least they say they will not—unless I do something for them. The C. I. O. wants an increase of a dollar a day in their wage. Sometimes they only ask for an increase of 10 cents an hour. They want double pay if they work on Sunday or on a holiday. And they do not want anyone who does not belong to their union to work where they have good jobs.

Now, I would like to give them some more money. I would like to vote for everything they want. I would like to be 110 percent C. I. O., A. F. of L., nonunion. Then everyone would be happy and I would get a lot of votes. I would like to vote for everything anybody wants. Then I would get all the votes—or would I? Then I have a large number of Townsendites, and have had for something like 6 years. Their present demands are comparatively modest. They say that as long as we voted ourselves pensions, they ought to have something. At one election 8,000 of them voted against me. I would like their votes. It would help a lot. Then there is a group of postal employees—mail carriers and clerks in the post office and others—who want pensions or increase in pay or shorter hours or something. They tell me without any equivocation at all that they are going to skin my political hide right off of me unless I go along and help them out. It makes me shiver and get all goose pimply just to hear them. Now, I want to do that, give everyone something and, incidentally, I could go on here naming groups and organizations and people and projects almost without end. You know the story. But I would like to know what I have got to do and got to vote for in order to be reelected. If I can, I would like to save at least a few dollars to carry on the war. But if I vote for everything I am asked to vote for there will not be anything left for the war. And people keep telling me and writing me that if I do not vote the way they want me to vote I will not be here next year. So if you will just write me a letter confidentially—I will not use your name—telling me how I can be reelected, I would appreciate it. Or maybe I will die before next election and all my worry is just silly.

So on second thought you need not write me at all. Just follow the good advice you would have given me.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 12, after line 11, insert a new title, as follows:

#### "TITLE IV—A

"That during the national emergency declared to exist by the President on May 27, 1941, the following provisions of law, as amended, are suspended, insofar as they—

"(a) Prescribe the maximum hours, days, or weeks of labor in any specified period of time;

"(b) Require compensation at a rate higher than the usual rate at which an employee is employed (1) for labor in excess of a specified number of hours, days, or weeks in any specified period of time, or (2) for labor on Sundays, holidays, or during the night; or

"(c) Require stipulations in contracts which prescribe maximum hours of labor or require compensation at a rate higher than the usual rate at which an employee is employed for labor in excess of a specified number of hours, days, or weeks in any specified period of time, or for labor on Sundays, holidays, or during the night—

"(1) 'An act to expedite the strengthening of the national defense', approved July 2, 1940;

"(2) 'An act establishing overtime rates for compensation for employees of the field services of the War Department, and the field services of the Panama Canal, and for other purposes', approved October 21, 1940;

"(3) 'An act authorizing overtime rates of compensation for certain per annum employees of the field services of the War Department, the Panama Canal, the Navy Department, and the Coast Guard, and providing additional pay for employees who forego their vacations', approved June 3, 1941;

"(4) 'An act providing for Saturday half holidays for certain Government employees', approved March 3, 1931;

"(5) 'An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936;

"(6) 'An act to expedite national defense by suspending, during the national emergency, provisions of law that prohibit more than 8 hours' labor in any 1 day of persons engaged upon work covered by contracts of the United States Maritime Commission, and for other purposes', approved October 10, 1940;

"(7) 'An act to expedite national defense, and for other purposes', approved June 28, 1940;

"(8) Communications Act of 1934;

"(9) 'An act to provide a civil government for Puerto Rico, and for other purposes', approved March 2, 1917;

"(10) 'An act to make emergency provisions for certain activities of the United States Maritime Commission, and for other purposes', approved May 2, 1941;

"(11) 'An act to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by providing for and expediting a public-works program', approved July 21, 1932;

"(12) Fair Labor Standards Act of 1938, as amended;

"(13) 'An act limiting the hours of daily service of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia,



and for other purposes', approved June 19, 1912;

"(14) 'An act relating to the limitation of the hours of daily service of laborers and mechanics employed upon the public works of the United States and the District of Columbia', approved August 1, 1892;

"(15) 'An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes', approved September 9, 1940;

"(16) 'An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors, and for other purposes', approved March 3, 1931;

"(17) 'An act making appropriations for the naval service for the fiscal year ending June 30, 1918, and for other purposes', approved March 4, 1917."

Mr. CELLER. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Virginia [Mr. SMITH] on the ground that it is not germane to the bill.

The CHAIRMAN. The Chair will be pleased to hear the gentleman in support of his point of order.

Mr. CELLER. Mr. Chairman, I make this point of order with reluctance, because we all have the greatest respect generally for the gentleman from Virginia and specifically for his ability as a parliamentarian; nevertheless, as a member of the Judiciary Committee and pursuant to the wishes of the committee to keep the bill intact as reported, I submit the point of order.

I believe that the so-called Smith amendment suggested to title IV-a is not germane to the text of the bill and is not germane to the specific purposes of the bill. It is not germane to any particular title of the bill. It is offered as a brand-new title. The only similarity I see is in the heading of the Smith amendment, which is in fact a mere re-statement of his bill, H. R. 6616, entitled "An act to expedite the prosecution of the war effort." The Senate bill before us carries the heading "To further expedite the prosecution of the war." It may be the same label but it is different wine in a different bottle. And the title or label does not change the contents of the bill or the bottle. Merely calling a thing something does not make it so.

The Smith amendment is exclusively a labor provision.

If you examine the Senate bill you do not find the word "labor" mentioned even once throughout the length and breadth of the bill. The so-called Smith amendment refers specifically to maximum hours of labor and rates of pay, and suspends some 17 specific acts relating to labor. The only mention you have in the entire bill—S. 2208—remotely resembling labor is the word "employee," which appears on page 15 of the bill, and that refers to the O. C. D., the Office of Civilian Defense. The only other word remotely connected with labor is to be found with reference to an amendment to the Hatch Act on page 15, where the word "employee" is used. The Hatch Act concerns primarily political activity of those who hold governmental positions.

The word "employee" in title VII and in title VIII, page 15, has not the slightest connection with anything having to

do with the general labor provisions of the so-called Smith amendment.

There is a third significant word used in the bill before us that only has a remote connection with labor, and that is the use of the word "manpower" on page 16, line 20, which has reference to the Civilian Conservation Corps manpower. I submit that has nothing to do with the provisions of the Smith labor amendment.

The Smith amendment provides for maximum hours of employment and rates of pay. It suspends the operation of some 17 different public acts. The bill before you has nothing to do with any or all of the acts thus sought to be suspended. It has naught to do with hours of employment or rates of pay. It is not a labor bill.

If the Chair will examine carefully the bill S. 2208 he will find that title I, if it had been submitted as a separate and distinct bill to its appropriate committee, would not have been referred to the Labor Committee but would have been referred to the Committee on Interstate and Foreign Commerce, because it amends the Interstate Commerce Act.

Title II, were it a separate bill, since it concerns the activities of the Secretary of War, the Secretary of the Navy, and the subordinate boards of those entities, would have been referred, if it had been offered as a separate bill, either to the Military Affairs Committee or the Naval Affairs Committee.

Title III, referring to priority powers might have been referred to either the Military or Naval Affairs Committees or to the Judiciary Committee since it concerns the negotiation of contracts for the acquisition, construction, and repair of naval vessels or aircraft. Since it also concerns the requisitioning of records and involves jurisdiction of the courts, it might have been appropriately and logically referred to the Committee on the Judiciary. It would not have been referred to the Committee on Labor.

If the Chair will examine title IV he will find that it concerns, primarily, fiscal matters having to do with the direct purchase by the Federal Reserve Board of Government bonds, and would in the ordinary course of events have been referred to the Committee on Banking and Currency. It could not have gone to the Committee on Labor.

Title V, since it refers to the waiver of navigation and inspection laws, would, of necessity, have been referred to the Maritime Committee, and not to the Labor Committee.

Title VI, since it concerns registration of firearms and has something to do with the power to requisition property, might have been referred to either the Judiciary Committee or the Committee on Interstate and Foreign Commerce.

Title VII refers to the Hatch Act, which is within the exclusive province of the Judiciary Committee. It does not concern labor.

The Committee on Military Affairs undoubtedly would have had control over title VIII, concerning compensation for certain civilian defense workers.

Title IX, since it concerns the protection of war industries and the assignment

of manpower of the C. C. C. and to the protection of munitions and defense plants, might have been referred to the Committee on Military Affairs. Labor is foreign to it.

Title X would undoubtedly have gone to the Post Offices and Post Roads Committee, since it concerns free postage for soldiers, sailors, and marines.

Title XI is exclusively a naturalization section and would have gone to the Committee on Immigration and Naturalization.

Title XII, since it concerns the setting up of a sort of war-contribution fund and provides for the reporting of gifts and funds to Congress, might have gone either to the Committee on the Judiciary or to the Ways and Means Committee.

Title XIII would have gone to the Committee on Coinage, Weights, and Measures.

Title XIV concerns the inspection and audit of war contracts and contractors' activities, and might have gone and probably should have gone, were it a separate bill, to the Committee on the Judiciary.

Lastly, title XV exclusively concerns census reports and would have gone to the Committee on the Census.

So that not a single title of this lengthy bill would have gone to the Labor Committee, to which the Smith amendment, if it had been a separate bill, should undoubtedly have been referred.

It may be that the Smith amendment generally relates to the provisions of the bill before us in certain respects, but it is not germane to it and germaneness and relativity are two entirely different propositions.

There are a number of precedents on the subject. I do not care to belabor the point too much. I think the chairman of the Committee of the Whole is familiar with the precedents, therefore I shall not outline them. They are all outlined in section 794 of the rules of the House. There are a number of very excellent precedents for both my contentions and I shall not dwell longer on the subject matter.

Mr. Chairman, I trust the point of order will be sustained.

Mr. MARTIN J. KENNEDY. Mr. Chairman, I rise in support of the point of order.

The CHAIRMAN (Mr. COOPER). The Chair will be pleased to hear the gentleman, and will appreciate it if arguments on the point of order are confined to the point of order and as succinctly stated as possible.

Mr. MARTIN J. KENNEDY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARTIN J. KENNEDY. May I ask the form in which this is proposed at this time? Is it a new paragraph?

The CHAIRMAN. It is in the form of a new title to the pending bill.

Mr. MARTIN J. KENNEDY. Mr. Chairman, the question before this committee is the germaneness of the amendment of the gentleman from Virginia [Mr. SMITH] to the pending bill. The amendment in the form of a new title proposes to do something that was not intended to be done by the pending bill.



The rule as to germaneness goes back to the early days of the Congress and is a well-recognized principle of parliamentary procedure. The principle was developed for the purpose of stopping hasty, ill-conceived legislation from finding its way to the floor without an adequate or proper hearing. In my opinion, the amendment of the gentleman from Virginia [Mr. SMITH] is the sort of proposal, a proposal to repeal 18 existing laws, some of which date back to 1868, all affecting the workingman, that should not be considered as an amendment to a pending bill—but if offered should be ruled out on a point of order.

Those laws which would be affected by the Smith amendment have become a part of our social system. When it is attempted to do so by a single amendment, offered as a new title to a bill under consideration, the Chair should interpret the rule on germaneness in deciding a point of order, literally and not otherwise.

We have come to realize that laws affecting hours of labor, wages, and working conditions are most important and vital to the welfare of our people and country. We are bound to preserve the rights of the working people of this Nation and should resist every attempt, under any title or guise, to take from labor its social gains.

This proposed title would make it possible to change all of gains by one sweep of the hand without a hearing being accorded to labor. I cannot believe the people of this country would want nor do I believe the philosophy of our parliamentary law contemplated our abandoning an established policy, the American way, through a clever amendment to an important bill requested by the President's committee for the national emergency.

We all know that in existing law there is nothing that could prohibit the Army or Navy from demanding any employee to work more than the stipulated time. The Commander in Chief, President Roosevelt, is in charge of the war program and can make a ruling to meet any situation during the war.

Mr. Chairman, I respectfully submit that this is not the proper time to consider the Smith amendment. Under the ruling of Chairman Fitzgerald, in 1914, and other rulings, since that time, it has been the practice of this House to only consider matters of such importance separately and on their merits and not as a tail to a war measure.

There are 17 separate laws, which are to be repealed by the Smith amendment, and they are to be repealed by 1 vote. Mind you, only 1 vote to wipe out 17 laws and the social gains of more than 50 years.

Because I firmly believe that to allow the Smith amendment to be considered as an amendment to the war powers bill is against the best interest of our Nation and every worker, and because, in my opinion, it violates the principle of our parliamentary procedure, requiring debate and proper hearings, it should be regarded by the Chairman as not being germane, and accordingly I ask that the point of order made by the gentleman

from New York [Mr. CELLER] against the Smith amendment be sustained.

Mr. HEALEY. Mr. Chairman, I desire to address the Chair on the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Massachusetts on the point of order.

Mr. HEALEY. I assure the Chair I shall be very brief and confine myself to the point involved.

Mr. Chairman, this proposed amendment seeks to suspend the provisions of existing law. I make the point that the laws affected, or any sections of those laws, or any matters related to them are not presently before the House for consideration.

I make the further point that the laws themselves or certain sections of the laws should be before the House for consideration in order for this amendment to be germane. While a committee may report a bill containing several subjects and unrelated subjects, it is not in order during consideration of that bill to introduce a new and entirely unrelated subject.

I submit, Mr. Chairman, that the amendment deals with the suspension of sections of laws relating to hours and wages, and that there is no section of the bill now under consideration, as reported by the committee, that deals with that subject or any subject related to it.

I make the further point that this amendment is so comprehensive as to suspend or repeal the provisions of 17 different statutes, and that it is remote and unrelated to the subjects under consideration in the bill and is therefore not germane to the bill.

Mr. Chairman, the purpose of the application of the rule of germaneness is to prevent hasty and ill-considered legislation; legislation which may not be at all related to the subject matter under consideration; legislation which Members may have had no intimation would be presented on the floor. A well-ordered and proper consideration of legislation should prevent the introduction of an amendment, such as this, entirely unrelated and irrelevant and remote from the subject matter under consideration.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Virginia in opposition to the point of order.

Mr. SMITH of Virginia. Mr. Chairman, the Chair, and everyone else, of course, recognize that this is an unusual situation, because we are considering what is known as a war-powers bill, a bill which has 16 separate titles, no two of which are germane to each other.

The argument in the matter has gone to a great deal of length to show that the different titles already in the bill would have gone to sundry committees. Of course, they probably would, but we are dealing with an extraordinary situation by reason of the fact that we are seeking to enact emergency legislation, as expressed in the title, to further expedite the prosecution of the war.

I respectfully submit, Mr. Chairman, that the argument that has been made here by the gentleman in support of this point of order can be made with equal force and with equal authority against

every single title in the pending bill, because there is not one of them that is germane to any other part of the bill, and when he argues a point of order against my amendment, he argues against every title of his own bill.

However, that is not the question that is involved here, Mr. Chairman. The question that is involved here is, What is the fundamental purpose of the legislation under consideration? The fundamental purpose of the legislation is to facilitate the war effort.

Let us take the history of this particular amendment and see what has happened to it. In the first place, the Committee on the Judiciary held hearings on this very proposition. I appeared before the committee. Nobody then seemed to conceive the idea that it was not a proper feature to go into this war-powers bill.

I then introduced an amendment to the first war-powers bill, which is the same amendment that is being offered here today as a new title to this bill, and it is so entitled "A bill to amend the First War Powers Act."

Now, certainly, if it is relevant and germane to the first War Powers Act it is germane to the second War Powers Act, and when I introduced that bill to amend the first War Powers Act it was referred to the Judiciary Committee and no one indicated then that the Judiciary Committee would not have jurisdiction or that it would not be in all respects germane.

I think I should correct a misstatement, doubtless inadvertently made, by the gentleman from Massachusetts, to the effect that this amendment repeals certain laws. If the gentleman would take the trouble to read the first few sections of the bill he will see it does not repeal anything. There is a difference between repeal and suspension and, as a matter of fact, this is an emergency matter. The only reason we are here today with all these 15 titles is the emergency we are in. Let us see what is the emergency with respect to this particular matter.

With respect to this particular item we are in a situation where Congress has heretofore on two occasions suspended most of the provisions contained in this amendment. Why? You suspended them because it was necessary in order to carry on our war efforts, but under the terms of that suspension, such suspensions will expire on the 30th day of June of this year and unless Congress acts, and acts in an emergency manner, we are going to be back in the very place where we were before Congress acted on suspending them temporarily.

I would now like to call the attention of the Chair to certain extracts from Hinds' Precedents. Of course, I believe the Chair will probably agree with me that there is very little precedent on this direct point. I think it is fair to say this is a novel point, where a point of order is raised to the germaneness of a new title to a bill that has 16 titles, none of which is related to the other. So you cannot depend upon the ordinary rules and precedents of the House, because there has never been any precedent for any such situation as now exists, but



there are rulings on related questions to be found and I direct the attention of the Chair to volume 8 of Cannon's Precedents, paragraph 2911, where it says:

The rule providing that amendments must be germane has been construed as requiring that the fundamental purpose of an amendment be germane to the fundamental purpose of the bill to which it is offered.

This was a ruling by Chairman Kitchen and all that seems to be necessary in a situation of this kind is that the fundamental purpose of the bill, which is, namely, to expedite the war effort, shall be germane to the fundamental purpose of the bill to which it is offered. In volume 8 of Cannon's Precedents, at section 2935, we find this ruling:

The rule of germaneness does not necessarily require that an amendment offered as a separate section be germane to the preceding section of the bill or to any other particular section of the bill, but it is sufficient that it is germane to the subject matter of the bill as a whole.

Now, Mr. Chairman, I respectfully submit that the amendment is in order and ask for a ruling by the Chair.

Mr. McLAUGHLIN. Mr. Chairman, I rise to make a statement in connection with the point of order.

The CHAIRMAN. The Chair will be pleased to hear the gentleman on the point of order.

Mr. McLAUGHLIN. I ask for recognition for the reason that I happen to be chairman of the subcommittee which heard the witnesses on the bill before us, S. 2208, and for that reason, perhaps, can contribute something that may be beneficial to the Chair in making a determination of the issue before him.

The bill before us was introduced by the chairman of the Judiciary Committee, the gentleman from Texas [Mr. SUMNERS], and referred to Subcommittee 4, of which, as I say, I happen to be chairman. The hearing record, with which, I assume, the membership is familiar, contains a statement of the genesis of the bill, contains a statement that the bill is the result of the work of a committee appointed by the President very shortly after we entered the war, and that the purpose of the bill is to modify by amendment existing laws for the purpose of bringing the law into such a state that it will serve to expedite our war efforts. Hearings were had on the bill, which contained 15 titles. Prior to the conclusion of the hearings and before the subcommittee entered upon executive consideration of the bill, following the hearings, the Department of Commerce came before our committee and suggested an additional title, representing that it was in harmony with the purpose of the President and the committee to which I have referred. This title was incorporated in the bill and now appears as title XV. The then title XV was moved to title XVI, the last formal title in the bill.

Following this, the gentleman from Virginia [Mr. SMITH] came to the judiciary room at a time when the subcommittee was in consideration of the bill in executive session for the purpose of reporting it out after the hearings. The

hearings had been closed. The gentleman from Virginia [Mr. SMITH] came before the committee and asked if he could make a statement, and he was permitted to do so. He stated he desired to present an amendment, which, I presume, would be somewhat in line with the amendment he here presents, although the amendment was not presented. So this matter came before the subcommittee in the informal way which I have described.

Mr. Chairman, it occurs to me that this bill is a bill with a single common purpose running firmly through it, and that is to expedite the war effort. I think the title so indicates. The amendment proposed by the gentleman from Virginia [Mr. SMITH] is an amendment which would modify 17 different laws which are now on the statute books. The question of whether or not this amendment is germane to the bill itself is, of course, as has been pointed out, one upon which there is no precedent for the reason that the bill is an omnibus bill, and I presume one the character of which has never been known before. However, in applying the test of germaneness, it occurs to me that the question before the Chair would be whether this amendment is in strict line with the purposes of the bill as manifest within the four corners of the bill.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Illinois.

Mr. McKEOUGH. Are we to assume, in the light of the amendment that is now being subjected to consideration, not being incorporated in the bill, that the gentleman's committee assumed that it was not within the four corners of the purposes of the bill that is pending before the House?

Mr. McLAUGHLIN. I may say to the gentleman that we were endeavoring to cooperate with those who are charged primarily with the prosecution of the war. The President and his committee organized for the purpose of suggesting amendments to laws which amendments would have the effect of expediting prosecuting the war submitted to our distinguished chairman a bill which was represented to us to be a bill to accomplish that purpose. We did not go outside the scope of that bill to entertain an additional bill except as to one title, to which I referred, title XV, as it now appears, which had the approval of the President's committee, and in that way was incorporated in effect as a part of the original bill. For that reason we did not entertain Mr. SMITH's proposed amendment, an amendment I may say that the gentleman from Virginia [Mr. SMITH] did not present and did not attempt to introduce before the committee.

Mr. MARTIN J. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. Yes.

Mr. MARTIN J. KENNEDY. Do I understand that no request came to the gentleman or to the gentleman's committee from the President or from the President's committee for the proposals that are included in the Smith amendment?

Mr. McLAUGHLIN. That is correct. Mr. Chairman, I submit that statement

for the purpose of endeavoring to add something to the record upon which the Chair may be able to reach a conclusion.

The CHAIRMAN. The Chair is prepared to rule. Of course, it is not within the province of the Chair to pass upon the question of the merits of the pending amendment. It is the province and the duty of the Chair to pass upon the question of the point of order made. The gentleman from Virginia [Mr. SMITH] offers an amendment to the pending bill, which has been reported. The gentleman from New York [Mr. CELLER] makes the point of order against that amendment upon the ground that it is not germane to the pending bill. The Chair has been pleased to hear the arguments for and against the point of order. The Chair invites attention to the fact that the purpose of the pending bill is to further expedite the prosecution of the war. The bill embraces 16 different titles, all upon different subjects, neither of the 16 titles related to another. The very able argument offered by the distinguished gentleman from New York [Mr. CELLER] in support of his point of order rather emphasized the fact that the various titles included in the bill are not related one to another. As pointed out by him, if introduced as separate bills, these different titles would have gone to a number of different standing committees of the House. The amendment offered by the gentleman from Virginia has for its purpose to expedite the prosecution of the war effort. This amendment is embraced in a bill, H. R. 6616, which was referred to the Committee on the Judiciary. The Committee on the Judiciary is the committee reporting the pending bill and having charge of the bill during its consideration here. During the course of the able argument offered by the distinguished gentleman from Nebraska [Mr. McLAUGHLIN] in support of the point of order, the Chair understood a statement to be made that had the pending amendment been included among the recommendations made by the President's committee on this subject, it would doubtless have been included in the pending bill.

Mr. McLAUGHLIN rose.

The CHAIRMAN. For what purpose does the gentleman from Nebraska rise?

Mr. McLAUGHLIN. Mr. Chairman, I rise to state that I could not speculate on whether this amendment, if proposed to the chairman of the Committee on the Judiciary by the President's committee, would have been incorporated in the present bill. The chairman of the Committee on the Judiciary introduced the bill and of course it is within his province to introduce such bills as he sees fit to introduce.

I would not want the impression to remain that I stated that if the amendment suggested by the gentleman from Virginia [Mr. SMITH] had been presented to the Judiciary Committee or to the introducer of the bill it would necessarily have found a place in this bill. I am not in a position to make such a statement.

The CHAIRMAN. Permit the Chair to inquire of the gentleman from Nebraska, in view of the previous statement made



by him and the statement now made, if the provisions of the amendment had been included in the recommendations of the President's committee, in the opinion of the gentleman from Nebraska would the question of germaneness have been raised in his committee?

Mr. McLAUGHLIN. I am not in a position to pass upon that hypothetical question, Mr. Chairman.

The CHAIRMAN. Resuming, the Chair was endeavoring to point out that there is an unusual situation presented in that the pending bill embraces 16 different titles, all titles on different and unrelated subjects. Therefore the Chair is of the opinion that the only proper and reasonable test that can be applied in a situation of this kind is the subject matter and the purpose covered by the pending bill and the pending amendment. The purpose of the pending bill is to further expedite the prosecution of the war. The purpose of the amendment offered is to expedite the prosecution of the war effort.

Therefore the Chair is of the opinion that the amendment is germane to the purposes of the bill, and the Chair therefore overrules the point of order.

Mr. MARTIN J. KENNEDY. Mr. Chairman, I respectfully appeal from the decision of the Chair, and on that point I would like to be heard.

The CHAIRMAN. Does the gentleman desire recognition on his appeal from the decision of the Chair?

Mr. MARTIN J. KENNEDY. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman is entitled to be heard for 5 minutes.

Mr. MARTIN J. KENNEDY. Mr. Chairman and Members, I appreciate the serious responsibility of the Chairman of the Committee of the Whole in making a ruling upon this important point of order. At the same time, I realize the importance of his decision because it is so far-reaching and will serve as a precedent in the future. Unless we reverse the decision of the Chair, we might as well eliminate all the standing committees of the House and create one new committee, which could be called the Omnibus Bill Committee.

The Chair, during his ruling, mentioned the fact that a bill similar to the Smith amendment now before the House had been referred to the Judiciary Committee and that the Judiciary Committee had reported the pending bill. The impression seemed to prevail that there was some connection between the two bills because of the committee reference. There is no relationship existing other than the fact that the Judiciary Committee failed to act on the Smith bill, now the Smith amendment. As this matter involves 18 separate laws, it should be considered as a separate bill. It affects many vital phases of our relationship with labor that should be weighed most carefully before we make any changes in existing law.

Since 1868 the Congress and the thinking people of the United States have been deeply concerned about working conditions. To pass a law whereby you suspend all that has been accomplished in 74 years in the field of social welfare

is the worst possible thing we could do, especially while we are pleading for national unity. We are talking about the supplies that are so necessary for the war program of our Government, but we must have more than talk; you must have men to do the work. You cannot expect men to work hard unless their hearts are in the job. The passing of this legislation will have the opposite effect. It is a sad blow for the working people of this country to have us decide that all favorable labor legislation must now be suspended. It is a very doubtful and unhappy procedure that makes it permissible at this point by a parliamentary device to obtain action in the House on an amendment which has never been carefully considered by a standing committee. It is absolutely wrong to permit, and I think the Chair erred in not ruling against the Smith amendment as an amendment to the pending bill.

Mr. GORE. Mr. Chairman, a point of order. The gentleman is not speaking to the question before the Committee.

The CHAIRMAN. The gentleman will proceed in order.

Mr. MARTIN J. KENNEDY. The ruling as to the germaneness of this particular title has been made upon the ground that it applies to the pending bill. I do not believe that it does apply. You may be able to regulate the issuance of bonds by law; you can fix the metal content of the 5-cent piece by law, but you cannot legislate ability, mechanical skill, and energy into a workingman. This type of legislation will not only fail to inspire men but I fear for the opposite result.

I am sorry that the Chair has ruled the Smith amendment to be germane to the war-powers bill. I do not think it is germane under rulings heretofore made in this House, and for that reason I respectfully disagree with the ruling of the Chair overruling the point of order against the Smith amendment. I think my appeal against the ruling of the Chair is well-founded and I trust the Committee will sustain my appeal.

The CHAIRMAN (Mr. COOPER). The question is, Shall the decision of the Chair stand as the judgment of the Committee?

The question was taken; and on a division (demanded by Mr. O'BRIEN of Michigan) there were—ayes 218, noes 14.

So the decision of the Chair stood as the judgment of the Committee.

The CHAIRMAN. The gentleman from Virginia [Mr. SMITH] is recognized for 5 minutes in support of his amendment.

Mr. SMITH of Virginia. Mr. Chairman, I spoke to this amendment on yesterday in general debate. I do not know that there is a great deal more I can say except to repeat to you, for the benefit of those who may not have been present and who have not read the RECORD, just exactly what it does, and no more.

A lot of wild statements have been made about what this amendment proposes to do. If you will get a copy of the bill H. R. 6616 you can see for yourself exactly what it does and what it does not do. Here is what it does: The amendment suspends all of the limitations on

hours and the requirement for the payment of overtime for hours used in excess of 40 per week or 8 per day. That is all it does, and it is limited to the duration of the emergency declared by the President. At the end of that time it comes back to what the present law is.

I am frank to say I am puzzled; I cannot understand why it is that Members on this floor who I know are just as loyal to this Government as I ever hope to be, who I know to be just as anxious for the perpetuation of this Government as I ever hope to be, and who I know are just as anxious as I am to prosecute this war successfully—I cannot understand why they persist in resisting a suspension of those things which are daily, and hourly, and weekly, and monthly handicapping the efforts of this Government to save itself in the hour of emergency.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Not at this moment. I am glad that I do not have the poor opinion of the workingmen of this Nation that seems to fill the breasts of some of those who take the floor in opposition to measures such as this. I am glad I do not believe as the gentleman from New York—who spoke on his appeal a few moments ago said he believed—that national unity has to be purchased at the price of 8 hours a day and time and a half for overtime to the laboring men of this Nation.

Mr. Chairman, we have already suspended by act of Congress within the past year certain of these provisions insofar as they relate to the Navy, the Coast Guard, and the Maritime Commission. I suppose the Army is now operating in violation of the law; but those suspensions last only until June of this year and unless you adopt this amendment or some other amendment that will continue the suspension of the 8-hour law, then on the 30th of June of this year you are going to be right back where you were before that legislation was enacted. I do not believe this Congress wants to find itself in that position. I think we have been handicapped enough—God knows—by strikes and stoppages of work for silly reasons, not by the men themselves, but because they were ordered out by some arbitrary labor leader who has the power to say to them that they may work or that they shall not work, just as he dictates to them.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. WHITTINGTON. Is it not true that if this amendment is adopted it will merely prevent the continued operation of statutes that require the payment of time-and-a-half overtime for extra hours and for work on holidays and Sundays?

Mr. SMITH of Virginia. Yes.

Mr. WHITTINGTON. And will not prevent the employer and the employee from agreeing upon any terms they may desire with respect to their demands.

Mr. SMITH of Virginia. It leaves it exactly up to the employee and the employer to determine for themselves by collective bargaining what the wages and



hours will be, something many of our friends who claim to be the champions of labor have been contending for for many years. Now, if they will just leave it to collective bargaining—that is the instrument Congress has given them—then the matter of wages and hours will be settled.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MONRONEY. I would like to ask the distinguished gentleman from Virginia whether his amendment applies to nondefense industries as well as to defense industries; if candy-factory hours can be lengthened under the amendment and if hours in other kindred industries could be extended?

Mr. SMITH of Virginia. Yes; it suspends the law as to all industry.

Mr. MONRONEY. As to everything?

Mr. SMITH of Virginia. Yes.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Virginia. Not only do these laws limit time but in many instances they absolutely prohibit work in excess of 8 hours a day or work in excess of 40 hours a week. They actually make it unlawful for a man working on a tank or on a ship or on a gun to work longer for his country than 40 hours a week and assess a penalty if he does so. Furthermore, the Reconstruction Finance Corporation Act contains a limitation of 30 hours a week. That was done for a reason: because we were trying to spread work; we had more workers than we had work; now we have more work than we have workers, and the conditions are just the reverse. There is a provision in the R. F. C. Act which says that all loans made under that act should, as far as practical, be confined to 30 hours a week.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HANCOCK. The gentleman no doubt recalls that a few weeks ago the House passed by suspension a bill introduced by the gentleman from Virginia designed to prevent work stoppages. The Senate refused to act on that bill. Has the gentleman any hope that the Senate will accept this amendment?

Mr. SMITH of Virginia. I can only speak in the language of the poet, "Hope springs eternal in the human breast."

Mr. Chairman, pursuant to permission obtained in the House this morning, I attach to my remarks letters on this subject addressed to me by the National Grange and the American Farm Bureau Federation:

THE NATIONAL GRANGE,  
Washington, D. C., February 25, 1942.  
Hon. HOWARD W. SMITH,  
House Office Building,  
Washington, D. C.

DEAR MR. SMITH: The National Grange is in favor of the enactment of your bill, H. R. 6616, suspending the 40-hour week, together with that provision of the Fair Labor Standards Act which provides that workers shall be paid on the basis of time and a half for overtime.

When this legislation was enacted there were millions of unemployed men in the country, and the chief argument used in support of it was that it would spread employment opportunities.

Today we are confronted with a totally different situation, with labor shortages developing in many quarters.

It is universally recognized that our best chance of defeating the aggressor nations lies in utilizing and developing our productive capacity to the utmost. For anyone to contend that the workers of the United States cannot put in more than 40 hours a week without ill effects amounts to the same thing as saying that we do not have what it takes to win the war.

At the time of its enactment, the time-and-a-half rule for overtime was frankly intended to make it so expensive for an industry to operate more than 40 hours a week that it would not be attempted except for short periods and under the most compelling circumstances. Under the changed conditions existing today this rule, which retards our war effort and hamstrings us in other ways, should be suspended for the duration of the war, as provided in your bill. It is, of course, understood that every worker should be paid at regular rates for every hour of service rendered.

The 40-hour week in industry, with time and a half for overtime, is a leading factor in bringing about a farm-labor shortage, which is already assuming critical proportions in various sections of the country. The welfare of the Nation as a whole demands that this question be dealt with realistically, sensibly, and without further delay.

Sincerely yours,

THE NATIONAL GRANGE,  
FRED BRECKMAN,  
Washington Representative.

AMERICAN FARM BUREAU FEDERATION,  
Washington, D. C., February 25, 1942.  
Hon. HOWARD W. SMITH,  
House of Representatives,  
Washington, D. C.

MY DEAR CONGRESSMAN SMITH: We wish to strongly endorse your amendment to the second war powers bill to suspend for the period of the war emergency the provisions of existing laws which prescribe the 8-hour day or the 40-hour week and which require an increased rate of compensation for overtime, Sunday, and holiday work.

The conditions which led to the enactment of such legislation are no longer important. Instead of the need to spread the available work, we are confronted now with the grave problem of working fast enough to produce the planes, guns, tanks, and ships needed to win the war. Our objective now must be maximum production per worker and per plant.

We are fighting for our lives and our very existence as a nation of free men. Millions of our boys are responding patriotically to serve their country for \$30 per month. They are risking their lives at all hours of the day and night, including Sundays and holidays, without thought of asking for an 8-hour day or 40-hour week or extra pay for overtime.

Farmers and the great masses of the working people of this country are patriotic and want to do their part and do not desire a price be put on their patriotism. Millions of farmers have already pledged themselves to cooperate with the Government in an all-out effort to produce adequate food and fiber needed for ourselves and our Allies. They are not going to stop work at 8 hours. They will work 10 hours or 12 hours or whatever is necessary to do their part to win the war. The workers who produce the war materials for our fighting forces are now being paid the highest wage rates in history. We believe the great mass of working people would be glad to work whatever hours are necessary without

extra rates of compensation as their contribution to produce the necessary materials to win the war.

At a time like this, when we have already appropriated or obligated \$150,000,000,000 for war expenditures, it is unwarranted and indefensible to continue restrictions which saddle unnecessary burdens on the Government to be paid for by all the people.

We therefore strongly urge that Congress adopt your amendment to suspend legislation relative to maximum hours and increased rates of pay for overtime for the duration of the war.

Respectfully yours,

EDWARD A. O'NEAL, President.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Virginia [Mr. SMITH], and I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I am very sorry that the gentleman from Virginia [Mr. SMITH] has undertaken to amend this very important war measure which is so essential to the successful prosecution of the war by offering the very controversial amendment which he has offered. When we were considering an appropriation bill only a few days ago the gentleman offered an amendment, which if adopted, would have for all practical purposes prevented the speedy operation of that great appropriation bill so necessary for our defense. Today we find the gentleman again offering an amendment.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. I think the gentleman is rather unfair in his statement.

Mr. McCORMACK. The gentleman from Massachusetts is not unfair in his statement. If the gentleman is going to get into characterizations, that is an entirely different proposition.

Mr. SMITH of Virginia. Well, I do not propose to make a personal attack on the majority leader, but neither do I intend to sit here and let him make a personal attack on me.

Mr. McCORMACK. It is an expression of opinion as to what would have resulted from the amendment which was offered by the gentleman a few days ago.

We are in a war and we do not want to lose our heads. The effect of this amendment is to suspend the efforts of 50 years of legislation which goes back as far as 1892, legislation that both sides of the aisle have fought for, legislation that was passed when the Republican Party was in control of the Congress, the Bacon-Davis Act, for example. This amendment affects the Bacon-Davis Act. It suspends the operation of 17 different laws, the first of which was enacted as far back as 1892, without calm consideration by a committee, without viewing the matter rationally. Of course, I would not say for an instant that the gentleman from Virginia, for whom I have great respect, had any intention of introducing an antilabor amendment,



but certainly the effect in the minds of labor all over the country is the same as if the intent existed.

It seems to me that calm judgment should dictate to us that this matter might well be left with the President of the United States, who is charged with the successful conduct of the war. Certainly no man has had more vision during the past 5 years as to the danger confronting this country than has Franklin D. Roosevelt.

The gentleman from Virginia has this year and last year offered his amendment. If this amendment is adopted the condition that exists would only become greater and more aggravated. Certainly if any conditions exist which require some kind of treatment and cure, we do not want to undertake by legislation a method which will only aggravate the situation.

Mr. STARNES of Alabama. Will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Alabama.

Mr. STARNES of Alabama. The distinguished majority leader does not take the position, does he, that the Congress of the United States by the passage of one certain law relating to one segment of our social order should never be changed, should never be repealed, should never be altered under any or all circumstances, even though our Nation were in travail and war at this hour?

Mr. McCORMACK. Of course, the gentleman understands I would not take that position. The fact is, however, that is not the situation now, as I see it.

This is an amendment which would go back to 1892 and affects 17 acts passed since that time or at different times since 1892. These acts the amendment would suspend for the duration of the war—the operation of that progressive legislation insofar as the workingmen of the country are concerned.

I hope that no one in a few days will undertake to attack the agricultural leaders for their position in putting through a bill that responsible men have said will cost the consumers \$1,000,000,000. I am not attacking those leaders, and I will not. I will defend them in their right, although I disagree with them. If anyone undertakes to attack them in the near future for their leadership, I shall defend them. We have too much idle talk these days about the leadership in labor. But what about the leadership in industry? What about the leadership in agriculture? There are other things involved beside the leadership of labor. There are some that should be criticized, but not all. The great majority are acting constructively and patriotically in this crisis.

In an attempt to cure a disturbing situation, which disturbs me also, but which has been gradually cured through voluntary action since December 7, this amendment is offered, the result of which will only aggravate and bring about sullen resistance, because the effect of this amendment will be construed by organized labor as an attack against labor.

In war there are three important elements necessary for the successful out-

come of that war. First, production. You have to have tanks, airplanes, guns, ammunition, food, and clothing, and we look to the men and women of the factories to furnish those things. What do you think their opinion will be if an amendment of this kind is adopted, which will be construed as a reflection upon their patriotism?

Certainly 99 percent of labor, both organized and unorganized, are doing the things that they ought to do in this crisis. Why, before the President of the United States recognizes the danger, before he as our leader has recognized it, should we undertake to punish the 99 percent for what 1 percent or less might be doing? In a democracy that is unwise; it is procedure which is inconsistent with the application of common sense and is dangerous in the situation that confronts our country today.

In an attempt to cure the situation, the gentleman from Virginia, in good faith—I do not attack or impugn his motives—offers an amendment, the result of which will be to aggravate a situation and to place labor in the position of being unpatriotic. I do not think any Member of Congress ought to take that risk.

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that my friend, our majority leader, has manifested impatience with the effort of the gentleman from Virginia to give voice to public opinion. It just is not good sportsmanship, and I wonder if it is good leadership. I have hoped that at some time the gentleman from Massachusetts, our majority leader, would come to a realization of the fact that he is supposed to speak for the majority of this House rather than for somebody else.

He denounces the Smith bill as anti-labor legislation. On every occasion when a proposal is offered to do something which the racketeers in labor might oppose, the gentleman from Massachusetts rushes to the well for the purpose of defending these people who are responsible for the bad conditions that prevail in this country.

The gentleman from Virginia is not trying to punish labor. He is trying to do something which must be done if we are to successfully prosecute the war in which we are engaged.

We may just as well be honest about this thing. We are already living under a labor government, rapidly headed into a labor dictatorship which, if not checked, will soon run into labor despotism.

Mr. McKEOUGH. Mr. Chairman, I demand that the words be taken down.

Mr. COX. Let us be real, let us be men, let us be Americans rather than the representatives of some organized group.

The CHAIRMAN. The gentleman from Georgia will suspend.

Mr. McKEOUGH. Mr. Chairman, I make the point of order that the gentleman from Georgia has described this Government as a labor government, fast becoming a labor dictatorship, and I demand that his words be taken down.

Mr. COX. And which, if not stopped, will run into a labor despotism.

Mr. McKEOUGH. I demand that his words be taken down, Mr. Chairman.

The CHAIRMAN. The gentleman from Georgia will be seated.

The Clerk will report the words objected to.

The Clerk read as follows:

Mr. Cox. We are already living under a labor government, rapidly headed into a labor dictatorship which, if not checked, will soon run into labor despotism.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (S. 2208) to further expedite the prosecution of the war, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and that he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words taken down.

The Clerk read as follows:

Mr. Cox. We are already living under a labor government, rapidly headed into a labor dictatorship which, if not checked, will soon run into labor despotism.

The SPEAKER. Whatever might be the opinion of anybody who occupies this place, the present occupant would think that it would be going very far, even though words were harsh, if Members were precluded from expressing an opinion with respect to a Government tendency. The Chair sees only in these words the expression of an opinion by the gentleman from Georgia and therefore feels constrained to hold that they are not unparliamentary.

The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, with Mr. COOPER in the chair.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. COX. Mr. Chairman, we are at war, and as I said a few days ago, it is everybody's fight. It is not a matter of saving England any longer, it is not a matter of reforming the rest of the world, but it is a matter of saving our own beautiful America. You and I are soldiers just as much and to a large extent in the same sense as the boys who have been gathered up throughout this country and sent to do the fighting, and we ought to behave like people who do have a sense of responsibility and we ought to give them support. It is a shame and a disgrace that something has not already been done to stop and bring to an end the bad behavior in labor which has slowed down the war efforts. It constitutes an ugly indictment of the Congress and of the Government. We ought to do our best to make amends. As I say, we ought to come here and stand up on our own feet and do our own thinking and behave like people who love their country and who are determined to do their part in saving it. That is just what I have to say with regard to the attack, slight as it may have been, that



the gentleman from Massachusetts has found it in his heart to make against as sweet and as gentle and as patriotic a man as ever lived, the gentleman from Virginia, my friend, HOWARD SMITH.

[Here the gavel fell.]

Mr. CELLER rcse.

The CHAIRMAN. Is the gentleman from New York [Mr. CELLER] seeking recognition?

Mr. CELLER. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. CELLER. Mr. Chairman, it was the famous philosopher, Voltaire, who many years ago said, "I disapprove of what you say, but I will defend to the death your right to say it." We should allow anyone here to express his opinions, however we may hate them. We may not agree with them, but we should allow them to be said. That is the essence of our democracy. We must be tolerant of the opinions we loathe.

Now, I venture the assertion with reference to this so-called Smith amendment, although I have no pipe line of communication to the White House, nevertheless, I caution you in this fashion. If this amendment is adopted this entire bill will be vetoed. Our great President's entire record of achievement here and abroad precludes his acceptance of this amendment. His proclaimed aims and aspirations forbid. His lofty purposes would preclude acceptance. He would have no choice but to veto.

We should do all in our power to get a record vote on this bill so that those of you who vote for the Smith amendment may be, indeed, on a hot spot when they face their constituents; you who have any preponderating numbers of laboring men in your districts beware. I do not like to say this, but it is true. I need not remind you that our votes are always scrutinized, but in this instance our votes will be watched more closely than ever.

I am willing to trust the President's committee that fashioned and proposed this bill originally, composed of representatives of the Department of Justice, the Office for Emergency Management, and the Bureau of the Budget.

This committee considered the Smith amendment and deemed it advisable, under all considerations and particularly because of the emergency confronting us, not to include the provisions thereof in this omnibus bill. They knew whereof they spoke. They had canvassed the situation. They knew all details of our great war effort. They deemed it more advisable to omit the Smith antilabor provisions.

The Smith amendment would wash away at one fell swoop all the fruits of years of labor to the laboring man. It is most ill-advised to do this and I hope you will not do it.

There have been charges made against labor. Of course, labor is not perfect. There have been stoppages of work and strikes and difficulties in various parts of the country, but the rank and file of the laboring men are patriotic and want to do their duty and are doing their duty. Most defense plants work far more than

40 hours per week; for example, most work 60 and 65 hours per week.

Do not bring an indictment against labor as a whole because of the derelictions of a few renegades in labor's ranks.

Protect labor and it will protect you. These bills that are sought to be wiped away—suspension means wiped away and wiped out—have only been secured for labor's benefit after years of "blood and sweat and tears." Labor, the men who have tunneled the mountains, built the bridges, laid down the railroad ties, dug the subways, welded the steel girders of great buildings—the "hewers of stone, the drawers of water"—the great army fabricating our ships, planes, and tanks—shall they be insulted by this amendment? Insult them you will. Belittle them you will with this provision. This is hardly a reward for their sacrifices, their struggles to build America and to make of it a great industrial Nation.

Pass this amendment and you will not aid the war effort. You will create disturbance, disorder, discord, dissatisfaction. You surely will not create amity, accord, and unity. You browbeat the men who work with the sweat of their brow.

What are these 17 acts that you are going to obliterate so suddenly, without notice, without a hearing—by a sort of drumhead court martial? Does anyone in this room, with the exception, very likely, of the gentleman from Virginia [Mr. SMITH] know what these 17 acts are? Have you read them? I defy any man or woman within the hearing of my voice to tell me what is contained in these 17 bills that you are going to repeal. Just cast your eye over these bills. The mere titles of them indicate to you their high importance. They are specific statutes, emanating from a dozen different departments, covering specific subjects. They cover almost the entire geography of the world—the entire United States, parts of Europe, the Philippines, and the Caribbean insular possessions, places over which the Maritime Commission has jurisdiction; they cover the War Department and the Navy Department and the Reconstruction Finance Corporation, and so forth. You have had no time to digest properly the provisions of these statutes thus to be destroyed. Don't you think that the amendment should come up under a separate bill to be voted up or down, as your conscience dictates, and not in this offhand manner. The amendment impugns the patriotism and loyalty of labor. Why take this potshot at labor? We did not do this against the employers or against the men of agriculture. No, but some seek to have us do it against labor. I am not going to do it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WHITTINGTON. Mr. Chairman, defense is lagging, tanks are not being produced, planes are not coming off of the assembly line. MacArthur is begging for just a few bombers. We can lose this war. Last week, Donald Nelson said that he would like to have all defense plants work on Washington's birthday. He did not have the legal power to enforce that request, and he could not

make it a command. There were statutes in the way. We do not want any 8-hour-a-day soldiers, and we do not need any 8-hour workers to provide for any 8-hour soldiers. We do not want any sunshine soldiers, and we do not want any fair-weather workers. There is nothing new about this proposed amendment. It has been said that it provides for the suspension of 17 statutes. Suppose it does? Most of them are statutes that relate to national defense production. One of them applies to Federal employees. Why should it not apply, if they are to apply, in the factory? What about the workers who are not engaged in defense plants? The patriotic worker would be willing to work longer than 8 hours a day or 40 hours a week if he could thereby release more workers for our defense plants. Let us give the workers a chance. The gentleman from Massachusetts [Mr. McCORMACK], the distinguished majority leader, said that labor had been voluntarily cooperative. The purpose of this amendment is to enable labor voluntarily to cooperate. This amendment merely repeals the statutes that restrict hours to 8 a day and work to 40 hours a week. It does not prevent the bargaining over time and a half for overtime. It contemplates collective bargaining. It is fair to the employer and the employee.

Is there anything new about the amendment? This is a bill to provide for expediting the prosecution of the war. One of the first of the 1940 war bills provided that the President be authorized to suspend in the Navy Department and the War Department the 8-hour-a-day provision. Is this the proper place for legislation to provide for additional hours to expedite the program? Shortly after the fall of France one of the first war-power bills passed, one of the first things we did in our effort to provide for national defense, was to give the President power to suspend the 8-hour day in the War and Navy Departments by the act of June 28, 1940 (Public, No. 671, 76th Cong.).

Again, Mr. Chairman, it is said by my good friend, the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], that this amendment will, during the duration of the emergency, suspend labor laws passed in 1892. One of the first laws suspended in the pending bill is not a law passed in 1892, but it is law that has come down to us from the days of Runnymede. Under that statute my home, my castle, your home, your land, can be taken immediately without concluding condemnation proceedings. I respectfully submit that if it is necessary to change a statutory provision that has come down to us, not from 1892 but from the days of Washington, from the days of Runnymede, in order to prepare for the defense of our country to prosecute the war, we can afford, during the emergency, to suspend the statutes that will provide for our laborers to arm and clothe our boys who are in the camps, on the seven seas, on the battlefields, and in the air fighting for liberty and freedom. If men are to die for their country, they must work for their country. It is time for action and



for work and sacrifice. The fate of the Republic is at stake.

In extending, I emphasize, as stated, that one of the first general war power bills passed after the fall of France was the act of June 28, 1940. It authorized the President to suspend the provisions of the law prohibiting more than 8 hours labor in 1 day of persons engaged in work covered by the Army, Navy, and Coast Guard contracts. This suspension terminates on June 30, 1942, unless Congress otherwise provides.

The act of March 2, 1941, provides for the suspension of the 8-hour day and the 40-hour week by the Maritime Commission until June 30, 1942.

We need munitions and we need ships. If the hours and weeks of labor were properly suspended in these two acts until June 30, they should be suspended as provided by the pending amendment.

The pending amendment was introduced as a bill, H. R. 6616. It was referred to the Committee on the Judiciary. The amendment and the bill provide that during the national emergency, declared to exist by the President on May 17, 1941, the provisions of all laws prohibiting more than 8 hours labor in one day, the provisions of all laws prohibiting more than 40 hours of work per week, the provisions of all laws requiring pay for excess hours at not less than one and a half times, and for pay at not less than one and a half times for Sundays or holidays shall be suspended. Under the terms of the bill the amendment would remain in force only until December 31, 1944, or until such earlier time as the Congress by concurrent resolution or the President may designate.

Men are being drafted to die for their country. The property of citizens is being taken for the defense of the country and for the prosecution of the war. Taxes have been levied and many citizens are paying taxes that are burdensome. These taxes will be increased. In the high brackets 85 and 90 percent of every dollar of income is being paid as taxes. In the high brackets three-fourths of all the estate left is being taken by the Government. All are sacrificing. The gallant MacArthur and his brave men are fighting not 8 hours but 24 hours a day. The purpose of the bill is to increase production.

We might as well admit that blunders were made and that there was an unjustified lag in the defense program in 1941. Many of the advisers of the administration seem to think that the appropriation of billions of dollars will win the war. Money is essential, but production and leadership are more essential.

We cannot do business as usual and win the war. In 1941 the automobile industry did business as usual; in fact, they did more business than usual. They brought out new models and they increased production by one-third. Their plants were not converted. The Government invested billions of dollars to build new plants. These plants will have to be tooled. Automobile plants are now being converted. There is a lack of skilled workers. It has been proposed that the skilled workers in the automobile area be paid to do nothing for 6 months while

the automobile plants are being tooled for defense production. Meantime there is a lack of skilled workers in the plants that the Government has constructed. The wise thing to do is to transport the skilled workers to the plants where they are needed. If the Government can transport soldiers from camp to battlefield, from one country to another, the Government can transport workers from one area to another. Men leave their homes to die; they can leave their homes to work.

America should awake. We have gone from one defeat to another. I am being realistic. I believe that America will win the war, but we know that America can lose the war. It is going to take more hours and it is going to take more workers to produce airplanes, tanks, and guns. We must about face. I want to be constructive in my criticism. I know it is easy to find fault. I want to remove the faults. I want to eliminate the bottlenecks. The labor problem is one of the bottlenecks. It was wisely said a long time ago when a wise man has a stomach ache he tries to get rid of the ache and not the stomach.

There is a lag and there is delay. Strikes and labor difficulties are largely responsible. William Leiserson, of the National Labor Relations Board, said recently, and I quote:

Some agreement will have to be made on what the attitude of the Government shall be on the closed shop, or else Congress will have to fix the policy.

The House has acted. We passed the so-called Smith bill in December. It is in the Senate. If the Commander in Chief would say the word, I believe the Senate would report and pass the bill. If it is imperfect, it should be perfected. It is time for the President to take a definite stand; it is time for Congress to take a definite stand.

The pending bill has 16 titles. They are giving to the Government emergency powers; they involve the surrender of rights and privileges that citizens have enjoyed, in many cases, from the foundation of the Government.

There is nothing so essential to war production as labor. No rights are being surrendered; no laws are being repealed. The laws are merely suspended during the greatest emergency that ever confronted our country.

I have already noted some of the objections to the pending amendment. It is said that labor is cooperating voluntarily. The 8-hour day and the 40-hour week were laws passed by Congress. If Congress can pass laws for the benefit of labor, Congress can pass laws to govern and control labor. Laws that are applicable in peacetimes are not applicable in war; hence the pending bill provides for the surrender of many rights and privileges of citizens.

I shall not argue that much time has been lost by strikes. We speak of the morale of the Army. There must be the morale of the country. The citizen is losing morale when he feels that there are unjustified strikes in defense plants and in defense industries. The citizen loses morale when Donald Nelson, charged with production, calls upon the

navy yards and defense plants to work on Washington's Birthday and calls in vain. There is a statute that requires the payment of overtime and a half for working on holidays and at nights. Donald Nelson is thus impeded in doing the job. Donald Nelson knows that every hour counts, every week counts. It means fewer lives lost. The purpose of the bill is to enable work to be done on holidays. It does not prevent the payment of time and a half for overtime. One statute requires 30 hours, another statute may require other hours. There are many statutes. All provisions are suspended in the pending bill in the interest of national defense.

It is said that the pending bill not only provides for suspension in defense plants but for suspension in private industry. What of it? Why should not Federal employees be required to work Saturday afternoons during the emergency? Why should laborers on the farm and in the factory not have the privilege of working longer than 8 hours a day and 40 hours a week? They could produce more food and more clothing; they could feed and clothe the soldiers better; they could do work that would provide for the release of other workers needed in national defense industries. Why make flesh of one and fowl of the other? Workers in nondefense plants are just as patriotic as workers in defense plants. I glanced through the 17 acts. Three-fourths of them relate to national defense. We fought every war in which we have been engaged without a wages and hours act. If the pending amendment should be perfected to eliminate any nondefense work, an amendment would be in order to that effect. The amendment should not be defeated.

It is said that labor is patriotic. My sympathies are with labor; it is said that the labor organizations are buying millions of dollars in defense bonds; they are to be commended. Many war profiteers justify their corrupt practice by saying they are investing their profits in war bonds. The widow is investing her savings in war bonds. The rich and the poor are asked to make their investments. Workers want to work longer so that individually they can invest in war savings bonds. The pending bill will enable workers to work more hours and to make more money to buy more bonds. It will free them from the domination of selfish and ambitious labor leaders who are apparently more interested in their place and their power than they are in the defense of their country.

It is time for Congress to act. The House has acted; it is time for the Senate to act again. Labor is essential to the winning of the war; it must not be shackled. The pending bill will free labor. We must work or we will be enslaved. For my part I would rather die on my feet than cringe on my knees. America should awake. We must conquer; we must unite. All must do their part.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(By unanimous consent, Mr. WHITTINGTON was granted leave to revise and extend his remarks in the RECORD.)



Mr. McKEOUGH. Mr. Chairman, I rise in opposition to the amendment.

I ask unanimous consent, Mr. Chairman, to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McKEOUGH. Mr. Chairman, I would like, with your indulgence, to call attention to the fact that when this amendment was being considered as to its germaneness, the Chair ruled, and, I submit, properly, that it was germane on the basis that it was introduced in keeping with the title of the bill that is now being considered. The title of that bill is "To further expedite prosecution of the war." The amendment that is now being considered is contained in the bill H. R. 6616, a bill to amend an act entitled "An act to expedite prosecution of the war effort," approved December 18, 1941.

Before I proceed to discuss my objection to this particular amendment, I would like, in passing, although I do not think he needs any defense, to call attention to the fact that the distinguished majority leader of my party does not rush to the well of the House to defend labor racketeers whenever any labor legislation is before the House, as recently charged. I do not believe the distinguished majority leader of my party needs any defense as to his conduct as a Member of this body. I think he was well within his province and right as a Member of the House to express his views on the legislation that is now before us.

I have profound respect for his judgment and equally high regard for his qualities as a leader.

Now, if this is a bill to expedite the war, let us be a little realistic. If this amendment is adopted all legislation with relation to control of wages and hours, Sunday and night work provided in the statutes referred to, some 17 of them, are immediately canceled. Offhand, I do not know how many millions of workers in America are subject to the benefits of the legislation that is affected. I trust you will not feel I am trespassing too much on your indulgence when I repeat what I have frequently said. I do not believe there is a member of this body who is any better American than 99.99 percent of those who toil in this country. Who are those who will defend our country in the air, on the sea and below it, and on the land? It is the stalwart sons and daughters of those who toil, whether they be in the factory, mill, or mine, or on the farms. Who will defend and are now defending our country? They are all toilers. They are all Americans. They are all patriots. While I in no way impugn the motives of the gentleman from Virginia [Mr. SMITH], I do, however, feel that it might be worthy of some attention in passing to recall that I am sure he yields to none in this House in the perseverance and persistence with which he attempts to make more difficult the benefits that this Congress and previous Congresses have enacted into law for the benefit of those who work for a living.

I want to pay him the high compliment of being No. 1 in the direction of

making sure that those who toil are not continued in the benefits that the Government of my country and his, after full and deliberate study, has enacted into law for them.

In the perseverance with which he exercises himself in that direction he apparently has overlooked another law that has a basic 8-hour day, a law passed in 1916, before this country was involved in World War No. 1. I refer to the Adamson 8-hour law that covers employees in the train and engine service of the steam railroads of this country.

I am surprised that the distinguished gentleman from Virginia [Mr. SMITH] has apparently overlooked several hundred thousand Americans who are involved in the benefits of that law. May I remind him and this House that it was enacted in 1916—not 1917 after April when we were belligerents, but before this country was involved in the war. I am reliably informed, and I think correctly so, that the basic 8-hour day was established by Executive order of the World War President at that time, Woodrow Wilson, for the factories and mills and mines of this country.

You will recall the gentleman from Nebraska [Mr. McLAUGHLIN] stated that the gentleman from Virginia [Mr. SMITH] came to his subcommittee after the hearings were closed and asked to be heard on this amendment to the 17 laws that he now seeks to suspend. The gentleman from Nebraska stated that he was heard, but, strangely, he was unable to testify for the benefit of the Members of this House that those who might have opposed the inclusion of such amendments in this act were never notified and were, therefore, denied any hearings before Subcommittee No. 4 of the Committee on the Judiciary of this House.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. McKEOUGH. Yes; I yield.

Mr. McLAUGHLIN. In order that the record may be straight—

Mr. McKEOUGH. I want it straight.

Mr. McLAUGHLIN. I believe the record will show that I said that the gentleman from Virginia [Mr. SMITH] came before the committee and presented no amendments and the hearings had been concluded. I would not characterize the presence of the gentleman from Virginia [Mr. SMITH] before the subcommittee of the Judiciary Committee as a hearing before the subcommittee. We listened to the gentleman from Virginia [Mr. SMITH] when he said he had in mind some amendments, but he did not present the amendments, and I would not say that he had a hearing or that a hearing was accorded him or that those in opposition to such amendments as he may have had in mind were not accorded any rights which they should have been accorded.

Mr. McKEOUGH. I thank the gentleman and I hope that my original statement will in no way be interpreted as an indictment of the gentleman from Nebraska.

Mr. MARTIN J. KENNEDY. Mr. Chairman, will the gentleman yield?

Mr. McKEOUGH. Briefly.

Mr. MARTIN J. KENNEDY. If the gentleman will examine the hearings printed by the Judiciary Committee, he will find there a statement of the gentleman from Virginia [Mr. SMITH], which might give the impression that he was heard and had something to say.

Mr. McKEOUGH. I will accept the word of the gentleman from Nebraska; and now in passing let me point out something I think ought to be given some consideration.

We hear much about strikes and loss of man-hours and man-days in defense-production plants. Has anybody come to the well and asked as to the total number of man-days that were lost as the result of the delayed conversion of the automotive industry from peacetime to war production? Have we all forgotten that the President of the United States has urged the Congress to allocate some \$300,000,000 to care for the several hundred thousand people who are now out of work in Detroit and other automobile areas of this country while the automobile industry is being converted to war production? Where is the gentleman from Virginia and the great exercise of his influence in the production program for defense when attention is directed to that sort of proposal?

I submit, Mr. Chairman, that if this amendment is adopted the purpose of the bill as described in the title: An act to expedite the prosecution of the war efforts will be completely defeated. Those who labor, whether organized or otherwise, I submit are Americans. I submit, too, their sons and daughters will win this war, not I or the gentleman from Virginia. I hope this amendment will be defeated in order that our country may be the country in the future that you and I were privileged to have lived in during our lifetime. I plead with you to defeat this amendment. Let us go forward as real Americans and whip the enemy by defeating this proposal.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in the time I have been here I have never witnessed such procedure employed for the consideration of such sweeping and far-reaching legislation. The amendment under consideration suspends the wages-and-hours provisions of 17 different statutes for the duration of the war. Among the many statutes affected is one enacted in 1892, providing for an 8-hour day for laborers and mechanics in the Government service. It suspends the Bacon-Davis Act, which was passed under Republican aegis, a bill sponsored by Senator Davis in the Upper Chamber and the late Robert Bacon, who served with many of us in the House. That act has been on the books since March of 1931. It will also suspend the wages-and-hours provisions of the Walsh-Healey Act and the Wages and Hours Act, and in fact every law that has ever been enacted by Congress for the benefit of the workers of the country.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield.



Mr. MARCANTONIO. I take it, it is very significant that the very people who are seeking to suspend contemporary labor legislation, under the guise of war necessity, opposed that very labor legislation when it was enacted during peacetimes.

Mr. HEALEY. I thank the gentleman for his contribution. Now, there is a point I wish to make. There is not anything, so far as I know, in any of this legislation that prevents men from being employed for more than 40 hours. Under the provisions of the Wages and Hours Act, the Walsh-Healey Act, and the Bacon-Davis Act, and all of the principal labor acts, men may be employed for 50 or 60 hours a week, providing that time and a half is paid for all hours in excess of 40.

Mr. Chairman, let us think this thing through, let us not take hasty and ill-advised action on such an extensive and far-reaching proposition. The efforts of organized labor for 50 years to promote humane and progressive legislation is at stake here today. The forward, progressive and social advancement of half a century may be swept away after a few hours debate here this afternoon on a measure of such tremendous concern to the millions of toilers and their families. There is an orderly way to consider legislation, and that is its introduction and reference to proper committees, proceeding through the channels provided by the parliamentary system that obtains in this body. A most extraordinary method has been pursued to obtain consideration of this measure as an amendment to the pending bill. The able and distinguished occupant of the Chair has very little precedent to guide him in making the ruling that the amendment was germane. I am convinced his ruling was sound, but his decision had to rest on a pretty broad construction.

The bill is entitled, "An act to further expedite the prosecution of the war," and the Smith amendment is presumably offered for that purpose. I fear however, that if it is passed the result may be detrimental to the production effort of the workers affected.

I submit that on the record the loyalty and patriotism of the workers cannot be successfully assailed. To summarily tear down the efforts of a half a century by the enactment of such legislation is shabby treatment indeed for labor.

This bill ought to be submitted to the serious consideration and deliberation of the appropriate committees of this House rather than be subjected to the hasty and ill-considered action that this method entails. I trust the amendment will be defeated.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New York [Mr. BALDWIN] is recognized for 5 minutes.

Mr. BALDWIN. Mr. Chairman, I have spoken against this kind of amendment before, but I want to add briefly my several reasons for opposing it this afternoon. In the first place, may I preface my remarks by stating that I do not think there is anyone in this House whose motives can be questioned, and certainly it

is not my intention to question the motives of any Member.

My principal reason for opposing an amendment of this kind is because I am convinced that psychologically it will not help the purpose of this bill. You cannot legislate enthusiasm, you and I cannot even legislate love of that flag if it does not stand for anything. What we want now is the cooperation of labor in its enthusiasm for the prosecution of this war, and that is what we have got to have. It is my own conviction that we are slowly and effectively getting it.

The President in his speech the other night stated that our production was on schedule; that in spite of the doubts of our enemies, we would have the planes, the tanks, the guns, the ships, and the ammunition that he announced we would have. I am prepared to take his word for that.

It must not be forgotten that this legislation does not stop strikes. We gave the President the power to stop strikes, and he has used it on several occasions. It is not a question of strikes or antistrikes here. We must remember also that we can give the President power to suspend such legislation as may be necessary when and if he deems it necessary and if we have not already given it to him.

It stands to reason that if we pass this legislation today the great mass of the working people are going to assume that the Congress is opposed to the progressive legislation that Congress itself has passed during the last 50 years. Personally I do not want to have any part of it, and I think it would be a terrible mistake in the prosecution of our war efforts to pass such legislation at this time.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If the Congress of the United States can pass legislation to promote labor, why cannot that same Congress pass legislation to control labor and to prepare for the defense of our country by suspending temporarily during emergencies certain provisions of law?

Mr. BALDWIN. The Congress can do anything it pleases, but when it passed legislation to promote labor, it was passed in proper, orderly fashion, and if we are going to pass legislation to suspend labor laws, then we should use the same method today. Nobody has had a chance to talk about this. This is all important, and, Mr. Chairman, we should not forget two things. In the first place, there are millions of workers who are not in defense industries who will be affected by the very statement of the gentleman from Virginia himself.

Mr. RUSSELL. Will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Texas.

Mr. RUSSELL. Does the gentleman know of a single one of them who is objecting to any hours of work?

Mr. BALDWIN. I do not know of any labor organization that is objecting to any hours. It has been stated here that under existing law they can work just as many hours as they want to work or as

the Government or anybody else wants to have them work.

Mr. WHITTINGTON. Does the gentleman imply by his statement that if that bill were brought up separately and on another day he would vote for it?

Mr. BALDWIN. No. But may I say that I am sympathetic toward many of the purposes intended by the amendment offered by the gentleman from Virginia [Mr. SMITH] if properly brought up, and the President is given discretionary power to suspend laws, where necessary, and to handle the situation as it arises, instead of engaging in a blanket suspension. I would be much more sympathetic toward such a suggestion.

In the first instance I submit that we have to consider two things, first, the workers who are not in defense activities, and most important of all, and I know what I am talking about because I served as a private in the last war, there are thousands and thousands of young Americans who are relying on their families to continue to live as they want them to live and who cannot support their families on \$21 a month. Thousands and thousands of these young Americans today hope that progress is maintained so far as labor is concerned because the bulk of the men in the armed forces will go back to labor.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does the gentleman think that the maintenance of some of the special privileges accorded labor is helping the morale of the \$21-a-month soldier?

Mr. BALDWIN. I so happen to think that way, because his family is involved, and his future stake in labor is involved. He would resent any abrogation of the progress that has been made on his behalf.

Mr. Chairman, I very strongly oppose the amendment offered by the gentleman from Virginia. Politics has been mentioned. May I say there are no labor votes I know of in my district.

[Here the gavel fell.]

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. NORTON] is recognized for 5 minutes.

Mrs. NORTON. Mr. Chairman, I rise in opposition to this amendment. May I say that it seems to me extraordinary the way our blood pressures rise just as soon as the question of labor is brought to the floor of this House. In my opinion, the majority of people want to be fair to labor, and I believe also that the majority of the Members of this House, speaking for both sides of the aisle, want to be fair to labor. Because of that, I venture to say that the pending amendment will be defeated. I certainly hope it will be.

I do not know whether the Members have made very much of a study of this bill, H. R. 6616, but certainly it is a bill important enough to come to the House and stand on its own feet. It should not be offered as an amendment to a bill as important as the one before the Committee today. Apparently the author of this amendment does not seem to realize



that the President has appointed a War Labor Board. Certainly that War Labor Board should be able to deal with the questions involved in this controversy. If the present War Labor Board is not, then another one probably will be appointed. My point is that we have no way of knowing, when an amendment of this kind is offered to an important bill such as this, whether or not the amendment is good. My opinion is the amendment is unjust, unfair, and altogether bad. Its object is to destroy all labor legislation, using the war emergency as an excuse to do what otherwise would not be possible—all in the name of national defense. Mr. Chairman, we are in a grave crisis and the working men and women of the country are doing a great job. There may be a few troublemakers, but why punish millions of faithful, courageous workers for the sins of a small minority?

Is it not true that because of the sacrifices and patriotism of the workers all industries are daily reporting deliveries of needed supplies far ahead of schedule?

I am thinking of the millions of men working in the foundries and the factories of the country today, giving their all, toiling and sweating for the defense of their country, supplying the implements of war that are so necessary to our boys in the Army and the Navy. What kind of a feeling are they going to have when they are told that the Congress of the United States does not believe in their patriotism, does not believe in their desire to help their country?

I say to you that when that word goes out to the millions of people working in this country it is going to be pretty bad for the war effort we are trying to make. You cannot legislate patriotism, you cannot legislate enthusiasm. Both are necessary to win the war. You will find these qualities in the men and women who constitute labor. They will never let their country down.

While we are waging a war for democracy, the author and supporters of this amendment are waging a war in support of industrial slavery, for that is exactly what this means. It just cannot be done, and you know it. If free men are deprived of their rights, what kind of work will they produce? It would be just the difference between enthusiasm and complete discouragement.

When men work with their hearts as well as with their heads and their hands, we may count on victory. For God's sake, do not kill the spirit of the average American working man. It means more than all the other considerations in our war effort.

In simple language, this amendment would destroy practically every present labor law. Even England, after 2 years of fighting, has not attempted to do that. Kill this amendment for all time and let the War Labor Board decide on labor policy. It is their job, and they are in a better position to do the job than we are.

Let the American working men and women know that at least we in the Congress have confidence in their patriotism and ability and also in their endurance, and that we are not a lot of Shylocks demanding our pound of flesh.

Mr. Chairman, is there anything wrong with paying a man overtime after he has worked 8 hours? I say to you that this bill eliminates overtime compensation and the limit on the number of hours a man may be compelled to work. Do you think men can do their best work under such compulsion? How dare we do anything like that to the working men and women of this country?

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, the so-called amendment under consideration is a bill, H. R. 6616, introduced by the gentleman from Virginia. It was referred to the Committee on the Judiciary and has not been considered by that committee. I doubt very much if a half dozen Members of this House ever read the bill which is offered in the form of an amendment to the pending measure.

It repeals in one fell swoop 17 labor laws including the Fair Labor Standards Act—wage-and-hour law—of 1938. This act is regarded by every fair-minded person in the country as one of the most humanitarian measures ever enacted into law. Before its enactment thousands of women engaged in textile and other like industries were receiving as low as \$5 and \$6 a week and in many cases working 9 and 10 hours a day. Over 45,000 of them resided between the District of Columbia and the Hudson River.

Before the enactment of this law an owner of a textile industry in the State of Georgia paid his employees such a miserly wage that they had to receive contributions from local relief agencies. This is a matter of record. In the State of Mississippi the textile workers received from \$2.50 to \$7.50 a week.

Before the enactment of this law many unscrupulous employers of labor, who paid miserably low wages and as a result resorted to cutthroat competition, actually forced honest and conscientious employers of labor, who believe in the just policy of live and let live, to the alternative of meeting their terms or going out of business. These employers with high ideals craved this act, and I am positively sure are unalterably opposed to its repeal, as provided for in the so-called Smith amendment.

The repeal of the Fair Labor Standards Act would deprive hundreds of thousands of the lowest-paid workers in the country of the just gains granted under this act. The exploitation of 200,000 home workers is one of blackest spots in the economic life of America. This was eradicated by the wage-and-hour law which the gentleman from Virginia would repeal. It has only been through honest and rigid enforcement of the law that its beneficiaries were protected from those who would continue to exploit them.

Mr. Chairman, the bill under consideration, S. 2203, makes a grant of power to the President of the United States far beyond anything ever anticipated under our democratic form of government. Reference was made to this fact by the distinguished but conservative gentleman

from Michigan [Mr. MICHENER], who stated in part:

But today we find ourselves in the war. It does not make any difference how we got in; it does not make any difference whose war it was or is; it is our war now. It is our fight. We must yield to the administration any power necessary to win.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. SUMNERS of Texas. Reserving the right to object, Mr. Chairman, I shall not object to this request, but I believe we cannot adopt the policy of agreeing to extensions of time beyond the 5 minutes allowed under the rule.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Chairman, to whom are we to look for guidance? Is it the President of the United States, who said in his speech of February 23, and I quote:

In every part of the country, experts in production and the men and women at work in plants are giving loyal service—

or is it to the gentleman from Virginia [Mr. SMITH] who would repeal nearly every humanitarian law on the statute books?

Mr. SUMNERS of Texas. Mr. Chairman, I should like to see if we can make an agreement with reference to a limitation of debate.

Mr. MARTIN of Massachusetts. If the gentleman will yield, there are a number of Members who are not here tonight who might like to speak on this amendment. I wonder if we could not fix the time tomorrow instead of tonight.

Mr. SUMNERS of Texas. In view of the number of Members who wish to speak on this amendment, perhaps I should change my request and ask that those Members rise who do not want to speak.

The CHAIRMAN. Does the gentleman from Texas desire to submit a unanimous-consent request?

Mr. SUMNERS of Texas. No, Mr. Chairman.

Mr. GOSSETT. Mr. Chairman, I rise in support of the amendment, and I am here to contend that this is a pro-labor and not an anti-labor amendment. I submit that 95 percent of the laboring people of this country, as has been alleged, are 100 percent American, wholly patriotic, and greatly concerned with the success of the war effort. It is the 5 percent who need protection from the 95 percent.

Within the last several days I have had a half dozen letters from people in my district whose sons are in the Philippine Islands. These mothers and fathers of boys fighting on the far-flung battlefields in defense of America express righteous indignation at anything that slows down or stops defense production in any way.

Now, let me give you a specific example of what this bill will do for labor. War Production Director Donald Nelson last week requested that no stoppage occur in celebration of George Washington's Birthday. On Monday, February 23, some 100,000 workers on the west coast



wanted to work. Under the law it was provided they must receive double time for working on a holiday, and the employer said, "We cannot afford double time"; both were within their legal, if not moral, rights; so they did not work. Under existing laws no adjustment of this difference could be made. The War Labor Board has no authority to suspend existing laws. The Smith amendment does not repeal any law. It simply suspends for the duration such laws as may interfere with the war effort. Today more than ever before this is a war of production, and I submit that anybody, saint or sinner, rich or poor, farmer, laborer, industrialist, Government official or employee, or anybody else who stops or interferes with production is an enemy of this Republic.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. POAGE. Is it not a fact that under the present laws a man who has a plant capable of turning out material needed by the Government, cannot run that plant 24 hours a day even though the employees may be willing to work three shifts, because the 40-hour week and the 8 hours a day laws will keep them from operating 24 hours a day with three shifts.

Mr. GOSSETT. I believe that is true.

I have here the Washington Post for Wednesday, February 25. On the front page appears this head:

Phil Murray's boys: 5,000 refuse to work 10-hour day in West.

In a parallel column appears this head:

MacArthur's boys: Troops willing to buy own bomber in Bataan.

In the text of the article is the following report:

Five thousand Congress of Industrial Organizations workers walked off the job at the Bethlehem Steel Co. yards at San Pedro, Calif., at the end of 8 hours and said they would refuse to work a 10-hour shift on the \$81,000,000 worth of Navy destroyers being built by the company.

The boys in the fox holes of Bataan Peninsula and in the caves of Corregidor have no 8-hour per day limitations on shedding blood for this country, nor do they get time and one-half for overtime and double time for Sundays and holidays.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. WRIGHT. The gentleman spoke about those men whom he says walked out of a plant on the west coast as being "Phil Murray's boys."

Mr. GOSSETT. I did not say that.

Mr. WRIGHT. In fairness to Mr. Murray, does not the gentleman think he ought to follow that by the statement that he directed them to walk out?

Mr. GOSSETT. No; I did not mention Phil Murray in connection with the west coast holiday stoppage. I said they could not agree on the pay because the law said double time for holidays and they could not get together; but if we would suspend those regulations they

could agree and would not walk out on such occasions. I am sorry I have not the time to yield further.

In another part of the paper there is an article referring to a strike in an aluminum manufacturing plant in Cleveland, Ohio. Listen to this—here is what the Washington Post reports on the man who called the strike:

Alex Blaint, who was reported by the Associated Press yesterday as having led Congress of Industrial Organizations workers out of the Monarch Aluminum Manufacturing Co. plant at Cleveland, figured last year in hearings before the Dies committee investigating un-American activities.

On June 10 he was pictured before the committee as a Communist, an alien, and a former convict. He denied testimony of two witnesses who said he had told them he was a Communist, but admitted he was a Hungarian whose final citizenship papers had been held up, and that he had served 11 months in a reformatory on a charge of automobile theft.

An alien and an admitted ex-convict stops production on vital airplane parts. That is an insult to patriotic labor throughout America. Speaking further of this strike is the following news report:

D. R. Gould, Monarch's secretary, declared the company is dealing with the Independent Aluminum Workers Organization, Inc., because this group was voted bargaining agent last September.

"The present curtailment is holding up important aircraft parts," Gould added. "We are getting pleas daily from Glenn L. Martin and other aircraft manufacturers for speedier delivery."

I submit to you it is high time that we have a definite labor policy in this country.

Both industry and labor are entitled to know what to expect from government, and the people of America are entitled to know what to expect from government, industry, and labor.

No one should be permitted to profiteer out of this crisis. Equal sacrifices must be required of all. This proposed amendment does not meet with my entire approval. It is a vast improvement, however, over our present policy of leaving matters up to the conscience of so-called leaders of industry and labor. Anything less than the best efforts of all Americans at this time is criminal.

[Here the gavel fell.]

(Mr. GOSSETT asked and was given permission to revise and extend his own remarks in the RECORD.)

[Mr. HOPE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. SUMNERS of Texas. Mr. Chairman, I move the Committee do now rise. The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2208 and had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to extend my remarks

in the RECORD and insert a statement by former Speaker Clark of the House.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PAY AND ALLOWANCES, ARMY AND NAVY, ETC., DURING ABSENCE FROM POST OF DUTY

Mr. VINSON of Georgia. Mr. Speaker, I submit a conference report and statement upon the bill (H. R. 6446) to provide for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and reserve components thereof, and civilian employees of the War and Navy Departments, during periods of absence from post of duty, and for other purposes, for printing, under the rule.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6446) to provide for continuing payment of pay and allowances of personnel of the Army, Navy, Marine Corps, and Coast Guard, including the retired and reserve components thereof, and civilian employees of the War and Navy Departments, during periods of absence from post of duty, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That for the purpose of this Act—

"(a) the term 'person' means (1) commissioned officer, warrant officer, enlisted person (including persons selected under the Selective Training and Service Act, as amended), member of the Army or Navy Nurse Corps (female), wherever serving; (2) commissioned officer of the Coast and Geodetic Survey or the Public Health Service; and (3) civilian officers and employees of departments, during such time as they may be assigned for duty outside the continental limits of the United States or in Alaska;

"(b) the term 'active service' means active service in the Army, Navy, Marine Corps, and Coast Guard of the United States, including active Federal service performed by personnel of the retired and reserve components of these forces, the Coast and Geodetic Survey, the Public Health Service, and active Federal service performed by the civilian officers and employees defined in paragraph (a) (3) above;

"(c) the term 'dependent' shall be as defined in United States Code, title 37, sections 8 and 8 (a) or such dependent as has been designated in official records;

"(d) the term 'department', including such term when used in the amendment made by section 16, means any executive department, independent establishment, or agency (including corporations) in the executive branch of the Federal Government.

"SEC. 2. Any person who is in active service and is officially reported as missing, missing in action, interned in a neutral country, or captured by an enemy shall, while so absent, be entitled to receive or to have credited to his account the same pay and allowances to which such person was entitled at



the time of the beginning of the absence or may become entitled to thereafter: *Provided*, That such person shall not have been officially reported as having been absent from his post of duty without authority: *Provided further*, That expiration of the agreed term of service during the period of such absence shall not operate to terminate the right to receive such pay and allowances: *And provided further*, That should proper authority subsequently determine that the person concerned had been absent from his post of duty without authority, such person shall be indebted to the Government in the amount for which payments have been made or pay and allowances credited to his account in accordance with the provisions of this Act during such absence.

"Sec. 3. Any person entitled under section 2 of this Act to receive pay and allowances, and who has made an allotment of pay for the support of dependents or for the payment of insurance premiums, shall be entitled to have such allotments for dependents or insurance premiums as he previously may have executed continued for a period of 12 months from date of commencement of absence, notwithstanding that the period for which the allotments had been executed may have expired during such 12 months' period, and the proper disbursing officer shall so continue the allotments during such absence: *Provided*, That in the absence of a previously executed allotment, or where the allotment made is not sufficient for reasonable support of a dependent and for the payment of insurance premiums, the head of the department concerned may direct that an allotment not to exceed the base pay, plus longevity of the person concerned, shall be paid by the appropriate disbursing officer to the insurer or such dependent as has been designated in official records or, in the absence of such designation, to such person as may be determined by the head of the department concerned, or by such person as he may designate, to be a bona fide dependent within the meaning of section 1 (c): *Provided further*, That for the initial period of six months, unless prior decision as to status is made, a monthly allotment for support of such dependent shall be paid in an amount not to exceed the monthly base pay, plus longevity, without regard to the fact that the six months' death gratuity may be paid later: *Provided further*, That at the expiration of the initial six months' period, no further decision having been made as to status, the payment as heretofore provided shall continue for an additional period not to exceed six months; any payment paid to a dependent for a period subsequent to date of death, if death occurred subsequent to the expiration of the first six months' period, shall be deducted from the six months' gratuity: *Provided further*, That the premiums on insurance issued on the life of the person paid by the Government subsequent to the declared date of death and unearned shall revert to the appropriations of the department concerned: *And provided further*, That the total of all payments made under this section, including those for insurance premiums, shall not exceed the total pay and longevity pay due.

"Sec. 4. When in the opinion of the head of the department concerned the circumstances surrounding the absence of a missing person of one of the classes mentioned in section 2 of this Act justifies such action, in the interest of the Government, or of the missing person, or of a dependent of the missing person, the head of the department, or such person as he may designate, may direct the continuance, suspension, or resumption of payments of the pay and allowances of such person. Except as provided in section 6 of this Act, in the case of a person in the hands of an enemy or interned in a neutral country, payment of allotments may

not continue beyond the twelve months' period following the officially reported date of commencement of absence from his post of duty.

"Sec. 5. Upon the expiration of twelve months from the date the person is reported as missing, or missing in action, in the absence of an official report of death of the missing person, the head of the department concerned is authorized to make a finding of death of such person. Following a finding of death, the six months' death gratuity provided by law is authorized to be paid. In the event of the later return of such missing person to the controllable jurisdiction of the head of the department concerned, the pay account of such person shall be reopened and charged with the amount of the six months' death gratuity which may have been paid: *Provided*, That the head of the department concerned in his discretion shall determine a monthly basis for liquidation of the amount of the death gratuity so charged in a reopened pay account.

"Sec. 6. When it is officially reported by the head of the department concerned that a person missing under the conditions specified in section 2 of this Act is alive and in the hands of an enemy or is interned in a neutral country, the payments authorized by section 3 of this Act are, subject to the provisions of section 2 of this Act, authorized to be made for a period not to extend beyond the date of the receipt by the head of the department concerned of evidence that the missing person is dead or has returned to the controllable jurisdiction of the department concerned.

"Sec. 7. The head of the department concerned is hereby authorized to direct the payment of new allotments from the pay of persons in active service (other than persons entitled under section 2 or section 14 of this Act to receive pay and allowances) to increase or decrease the amount of any allotment heretofore or hereafter made by such persons and to continue payment of any allotments of such person which may have expired in November 1941 and any month subsequent thereto, with or without the consent of such person, subject in all cases to termination by specific request of such persons, whenever in the judgment of the head of the department such action is considered essential for the well-being and protection of dependents of persons in active service.

"Sec. 8. Whoever shall obtain or receive any money, check, or allotment under this Act, without being entitled thereto, with intent to defraud shall be punished by a fine of not more than \$2,000 or by imprisonment for not more than 1 year, or both.

"Sec. 9. Within the scope of the authority granted by this Act, the determination by the head of the department concerned, or by such person as he may designate, of the status of a person in the military or naval forces, the Coast Guard, the Coast and Geodetic Survey, the Public Health Service, or civilian officers or employees as defined in paragraph (a) (3) of section 1 of this Act, or his direction relative to continuance, temporary suspension, or resumption of payment of pay and allowances, or finding of death, shall be conclusive.

"Sec. 10. The determination of the fact of dependency under the provisions of this Act, and the determination of the fact of dependency under the provisions of any and all other laws providing for the payment of pay, allowances, or other emoluments to enlisted men of the Army, Navy, Marine Corps, and Coast Guard of the United States where such payments are contingent upon dependency, shall be made by the head of the department concerned, or by such subordinate as he may designate, and such determination so made shall be final and conclusive: *Provided*, That the Act of June 4, 1920 (41 Stat. 824), as amended (U. S. C., title 34, sec. 943), is hereby amended by deleting the word 'actually' in the first proviso.

"Sec. 11. The head of the department concerned, or such person as he may designate, is authorized to settle the accounts of persons for whose account payments have been made pursuant to the provisions of sections 2 to 7, both inclusive, of this Act, and the accounts of survivors of casualties to ships, stations and military installations which result in loss or destruction of disbursing records, and such settlements shall be conclusive upon the accounting officers of the Government in effecting settlements of the accounts of disbursing officers.

"Sec. 12. The dependents and household and personal effects of any person on active duty (without regard to pay grade) who is officially reported as injured, dead, missing as the result of military or naval operations, interned in a neutral country, or captured by the enemy, may be moved (including packing and unpacking of household effects) to the official residence of record for any such person, or, upon application by such dependents, to such other locations as may be determined by the head of the department concerned or by such person as he may designate, by the use of either commercial or Government transportation: *Provided*, That the cost of such transportation, including packing and unpacking, shall be charged against appropriations currently available.

"Sec. 13. Notwithstanding any other provision of law, in the case of any taxable year beginning after December 31, 1940, no Federal income-tax return of, or payment of any Federal income tax by—

"(a) any individual in the military or naval forces of the United States, or

"(b) any civilian officer or employee of any department

who, at the time any such return or payment would otherwise become due, is a prisoner of war or is otherwise detained by any foreign government with which the United States is at war, or

"(c) any individual in the military or naval forces of the United States serving on sea duty or outside the continental United States at the time any such return or payment would otherwise become due, shall become due until one of the following dates, whichever is the earliest:

"(1) the fifteenth day of the third month following the month in which he ceases (except by reason of death or incompetency) to be a prisoner of war, or to be detained by any foreign government with which the United States is at war, or to be a member of the military or naval forces of the United States serving on sea duty or outside the continental United States, as the case may be, unless prior to the expiration of such fifteenth day he again is a prisoner of war, or is detained by any foreign government with which the United States is at war, or is a member of the military or naval forces of the United States serving on sea duty or outside the continental United States;

"(2) the fifteenth day of the third month following the month in which the present war with Germany, Italy, and Japan is terminated, as proclaimed by the President; or

"(3) the fifteenth day of the third month following the month in which an executor, administrator, or conservator of the estate of the taxpayer is appointed.

Such due date is prescribed subject to the power of the Commissioner of Internal Revenue to extend the time for filing such return or paying such tax, as in other cases, and to assess and collect the tax as provided in sections 146, 273, and 274 of the Internal Revenue Code in cases in which such assessment or collection is jeopardized and in cases of bankruptcy or receivership. For the purpose of this section, the term "continental United States" means the States and the District of Columbia, and the terms "individual" or "member" of the military or naval forces of the United States means any person in the Army of the United States, the United States

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Mr. SMITH of Ohio. It would not be very much compared with the total cost involved in blanketing in under the Ramspeck Act the 250,000 appointive officers, would it?

Mr. VINSON of Georgia. Anyhow, it reaches that group of officials whose salaries are over or around \$9,000.

Mr. SMITH of Ohio. Let me ask the gentleman one more question. This conference report, as I understand, excludes the possibility of eliminating the immense group that was blanketed in under the Ramspeck Act.

Mr. VINSON of Georgia. We could not do that. That is what the conferees wanted to do, but the conferees could not do that under the parliamentary situation. Therefore, we merely broadened what was meant by heads of executive departments, and I have read you a partial list of those heads that cannot participate in this retirement.

However, if the conferees could have eliminated all of the 285,000 people covered by the act of January 24, 1942, most of them would have come under the retirement law within the next 18 months, because they will be classified as civil-service employees under the civil-service extension law passed in 1940.

Mr. SMITH of Ohio. Accordingly it appears, then, that the conferees were willing to repeal the provision that blankets in those 250,000.

Mr. VINSON of Georgia. That is right.

Mr. SMITH of Ohio. Then the gentleman would join in repealing pensions for this group of 250,000?

Mr. VINSON of Georgia. I may say that, so far as I am individually concerned, I would not extend the coverage to anybody beyond January 24.

Mr. SMITH of Ohio. That is, after the time the bill passed.

Mr. VINSON of Georgia. And I mean I would stop there and would not have enacted the new bill. May I say in this connection that I am trying to explain this report so that no Member will be able to jump up later on and say he did not understand it.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I want some information and I desire to express my appreciation of the action of the conference committee. I understood the gentleman from Georgia [Mr. RAMSPECK] to say the other day that the new act, which included Members of the House and Senate, the President, and so forth, took in something like 285,000 or more people.

Mr. VINSON of Georgia. That is correct.

Mr. ROBSION of Kentucky. Could the gentleman give us, roughly, the number of persons who are included by this conference report or the number that are taken out?

Mr. VINSON of Georgia. Yes. Those that have been excluded are the President, the Vice President, Members of the Senate, Members of the House of Representatives and the heads of these Departments that I have read. They are

excluded beyond the shadow of a doubt. Now some 200,000 employees have been covered in by the act of January 24. We sought to exclude those, but we were barred by the parliamentary situation and we could not do it. If the House wants to exclude those that came in after January 24, they have a parliamentary way to present the matter to the House.

Mr. ROBSION of Kentucky. The gentleman now is speaking of that number of around 200,000?

Mr. VINSON of Georgia. Two hundred thousand.

Mr. ROBSION of Kentucky. Does the recent act include, for instance, the postmasters of New York City and Chicago?

Mr. VINSON of Georgia. They were included under a previous act.

Mr. ROBSION of Kentucky. Does this exclude the United States district attorneys and the United States marshals?

Mr. VINSON of Georgia. No; there is nothing in the conference report that would exclude the district attorneys.

Mr. ROBSION of Kentucky. And it was the desire of the gentleman and the other conferees of the House and Senate to take them all out.

Mr. VINSON of Georgia. They are in by the law of January 24.

Mr. ROBSION of Kentucky. I am referring to the 285,000.

Mr. VINSON of Georgia. That is correct.

Mr. ROBSION of Kentucky. But the parliamentary situation was such that that could not be done, and the parliamentary situation is such now that we cannot vote on that question.

Mr. VINSON of Georgia. The gentleman is right about that.

Mr. HOFFMAN. Mr. Speaker, when this matter was here the other day I asked the gentleman from Georgia [Mr. VINSON] if, when the report came back, it contained a provision which would repeal the so-called pension provision for Congressmen, it would also include a provision which would cover in, under the law, an additional number, something like 200,000, how we could vote. And, if we wanted to vote against our own pensions, we would be compelled to vote to cover these new employees in.

Mr. VINSON of Georgia. Why, you could not touch it from a parliamentary point with a 10-foot pole.

Mr. HOFFMAN. So that if I want to vote against a pension for myself, I must also vote to cover in these new employees.

Mr. VINSON of Georgia. That is correct, because the House unanimously passed the other bill which it was in.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. RAMSPECK. Mr. Speaker, the statement of the gentleman from Michigan [Mr. HOFFMAN] is incorrect, because the question that he is talking about is not involved in this conference report at all. The 285,000 other people were brought in by the act of January 24, and a vote on this conference report does not involve bringing them in or keeping them out.

Mr. VINSON of Georgia. The gentleman is correct, because the House passed that on January 24.

Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. VINSON of Georgia. Mr. Speaker, notwithstanding that the previous question has been ordered, I ask unanimous consent to make a statement in order to correct what I said a moment ago to the gentleman from Michigan [Mr. HOFFMAN], because I did not exactly catch what he meant.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, there is nothing in this bill that deals with the 250,000 employees referred to, because that has already been passed, and when we vote to exclude ourselves, we have nothing to do with the 200,000 who have already been brought in by previous law.

Mr. HOFFMAN. Mr. Speaker, I am sending up an amendment or instructions to the desk.

The SPEAKER. The gentleman from Michigan sends up the following:

That the report of the conferees be rejected and the House conferees be instructed to insist that all provisions of the bill which would cover additional individuals or groups be stricken out.

The Chair thinks that is not in order either as an amendment or an instruction at this point. The only thing that the House can do now is to vote up or down the conference report. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### MARINE INSURANCE

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6550) to extend and amend Subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended (Public, No. 677, 76th Cong.), approved June 29, 1940, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Line 9, after "as", insert "the Congress by concurrent resolution or."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. I understand the only change that has been made in the House bill is in respect to this concurrent resolution.

Mr. BLAND. That is all.

Mr. MARTIN of Massachusetts. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.



## ORDER OF BUSINESS

The SPEAKER. The Chair thinks it is proper to dispose of one or two conference reports before taking up the unfinished business, and suggests that if speeches be somewhat curtailed, it is possible that we can dispose of the unfinished business today.

## UNIFORMS AND EQUIPMENT FOR CERTAIN RESERVE OFFICERS

Mr. MAY. Mr. Speaker, I call up the conference report upon the bill (S. 1891) to amend an act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army, so as to provide allowances for uniforms and equipment for certain officers of the Army of the United States.

(For conference report, see House proceedings of February 19, 1942.)

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. To ask the gentleman to explain this.

Mr. MAY. Mr. Speaker, this bill simply amends the act of May 19, 1940, which allowed to officers of the Regular Army and Navy of the United States \$150 in lieu of uniforms. That was payable under the act in installments of \$50 a year. The bill that is before the House at this time on the conference report changes that, not in amount, but so as to provide that it is limited to all officers not only of the Army of the United States, but of the Reserve Corps who were inducted into the service subsequent to September 26, 1941, and provides that where they have been paid any portion of the \$150 credit shall be given for such sum as has been paid, less the allowance to officers from the grade of major down.

Mr. MARTIN of Massachusetts. But it really extends it to the Reserve officers?

Mr. MAY. That is correct.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. WADSWORTH. I would like to ask the chairman of the Committee on Military Affairs if the committee made any comparison as between the allowance proposed here and the allowance made to corresponding officers of the Navy?

Mr. MAY. I do not recall that there was any testimony on that subject in the hearings on this bill, but I think it was agreed in conference that probably the allowances were the same in both the Navy and the Army when this bill was passed.

Mr. THOMASON. Will the gentleman yield?

Mr. MAY. I yield to my colleague from Texas.

Mr. THOMASON. The distinguished chairman of the committee is mistaken about that, I think, because the allowance for the Navy is considerably more, but it ought not to be. These allowances ought to be equalized as between the Army and the Navy, and I am sure the gentleman from New York will agree with me.

Mr. WADSWORTH. That was the purpose of my asking the question; not to oppose the conference report. But I suspect that here is another instance where the pay schedules and allowances of the Army and the Navy are beginning to lack uniformity, and that men in one service get more for performing the same duties than the corresponding officer in the other service.

Mr. MAY. That is true, but the Army did not ask for any more than the committee gave them. The committee gave them all they did ask for.

Mr. WADSWORTH. I am not complaining about the amount, but when another branch of the service comes and asks for more money they get it. The situation is going to become indefensible.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield to my colleague from New York.

Mr. ANDREWS. I might say that it was pointed out by some of the Navy that their service is more rigorous and they require more money for their allowance than the men in the same service in the Army.

Mr. WADSWORTH. That is open to debate.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.  
A motion to reconsider was laid on the table.

## IRRIGATION AND WATER UTILIZATION, MOLOKAI, T. H.

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Committee on Irrigation and Reclamation be discharged from further consideration of the bill (H. R. 6670), to provide for an irrigation and water utilization project on the island of Molokai, T. H., and that the same be re-referred to the Committee on the Territories. I have conferred with the chairman of the latter committee and the sponsor of the bill, and this action is agreeable to them.

The SPEAKER. Is there objection?  
There was no objection.

## PAYMENT FOR TRAVEL OF PERSONS DISCHARGED FROM THE ARMY ON ACCOUNT OF FRAUDULENT ENLISTMENT

Mr. MAY. Mr. Speaker, I call up the conference report on the bill (S. 1782) to authorize the payment of a donation to and to provide for the travel at Government expense of persons discharged from the Army of the United States on account of fraudulent enlistment.

The Clerk read the title of the bill.

(For conference report and statement, see proceedings of the House of February 19, 1942.)

Mr. MAY. Mr. Speaker, this bill covers the question of fraudulent enlistments where soldiers enlist and make false representation as to their age in order to get in. The Army thinks they ought to be honorably discharged as far as that is concerned and be paid \$10, the usual fee that is paid for transportation back home, if that is the smaller of any amount that is due.

Mr. MARTIN of Massachusetts. It is just a question of transportation back home.

Mr. MAY. Transportation and honorable discharge to those who just made the sole misrepresentation as to their age.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. MAY. I yield.

Mr. MOTT. As I understand, there is a provision in this bill providing that the person be discharged from the Army if he falsifies as to his age when he came in. What is the provision that the gentleman is talking about?

Mr. MAY. The provision is that where he makes representation solely as to age, by saying he was 21 when he was not 21, in order to get into the Army, that he be given an honorable discharge and given pay to go back home.

Mr. MARTIN of Massachusetts. They are not discharged now, anyway, are they?

Mr. MAY. No.

Mr. MOTT. Then, why is this provision in the bill?

Mr. MAY. Some of them may be discharged for that reason or for other reasons.

Mr. MOTT. Does the gentleman know that a number of our outstanding Army officers would have been out of the service long ago if that rule had been applied?

Mr. MAY. They have not been giving them dishonorable discharges in recent years for that.

Mr. MOTT. The recent Adjutant General of the Army, General Adams, lied about his age in order to get into the Spanish-American War.

Mr. MAY. And he has rendered great service to the Government.

Mr. MOTT. Thousands of other boys 17 and 18 are lying a little about their age, and they have rendered great service.

Mr. MAY. That is true. That is what I am talking about.

The SPEAKER. The question is on agreeing to the conference report.

Mr. WHITE. Mr. Speaker, I do not think one side should have all the privilege of inquiry. I would like to ask a question.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

## SECOND WAR POWERS BILL, 1942

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2208) to further expedite the prosecution of the war.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, with Mr. COOPER in the chair.

The Clerk reported the title of the bill.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to address the Committee for a minute to make an announcement.



The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SUMNERS of Texas. With regard to the Smith amendment adopted by the committee yesterday, there has been prepared a memorandum of explanation, copies of which are on the tables, both on the majority and the minority side, so that Members who may want to examine it will find it available. May I state in this connection that, as set forth in this memorandum, a great many people place the construction on this amendment that it would limit future purchases, from now on, of bonds and obligations of the Federal Government to five billion without limit. Something will have to be done about that. Anyway, the memorandum is on the desk.

Mr. CARLSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CARLSON. May I ask the Chairman if the Smith amendment suspending certain labor provisions is not open for debate and discussion at this time?

The CHAIRMAN. The gentleman is correct.

Mr. CARLSON. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. CARLSON. Mr. Chairman, yesterday I received a letter from one of my constituents who has three sons in the draft. One of the boys is now in the southern Pacific, another one is on the way, and the third has been given a deferred draft status because of defense work. This father is pleading with Congress to do something to secure supplies for our boys who are fighting so gallantly with General MacArthur in the Philippines and other southern Pacific points. His plea is the same as that of thousands of other fathers and mothers in this Nation. The son who has been given a deferred status is now working in a national defense factory at a salary of \$8 a day; time and a half or \$12 for working on Saturday, and double time or \$16 a day for Sunday work. Last Monday he reported to the plant as usual and was advised by a union leader that he would not be allowed to work because the factory would not pay double time for Monday, which they regarded as a holiday.

The boys in the service receive \$21 a month. Working hours are not considered—there is no double pay for overtime and their life is in danger every minute. Not even a radical labor leader can justify the stoppage of work in hundreds of our plants last Monday because they would not pay double time.

In this debate it has been suggested that the President should be allowed to continue handling the labor situation. The record speaks for itself. On numerous occasions the President has had an opportunity to deal with labor and its problems but about the only thing he has done is appoint new boards. Today Congress has an opportunity to express itself. It should express itself. We have an obligation to our people in this national emergency. Everyone must sacrifice and I am positive the laboring men and women

of this country want to do their share. They have sons at the battle front and are gravely concerned about the production and transportation of war supplies. The pending amendment is not an antilabor amendment. It merely suspends, for the duration of the emergency, the provisions of law which have been adopted in past years as part of a great labor-improvement program. There was some justification for these laws during peacetimes, but during a war we must suspend every law that impedes our defense effort.

Our citizens are making sacrifices. We are accepting, without complaint, the regulations placed upon us by governmental order. We are investing our money in bonds and stamps. We are bearing increased tax burdens and in the near future we will be forced to reduce our standard of living. This is no time for the farmer, the industrialist, or laborer to demand excessive financial gains. This is a time of sacrifice. Every day and every hour lost in the factories because of pre-war laws and regulations may prove disastrous. Congress has the direct responsibility of clearing all decks for action. The American people are ready to give their all in this emergency. Our boys are at the battle front and labor has a desire to devote all of its energy to final and complete victory. As I see it existing laws passed by this Congress, together with the action of certain labor leaders, are the obstacles that hinder production. Again I want to say that this amendment does not question the patriotism of labor, nor is it antilabor. It is pro-labor and pro-American. Why not forget all personal interest in the matter and for the sake of God and for the sake of our country let us adopt it.

Mr. TARVER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise in support of the Smith amendment. It is not, in my judgment, intended to punish labor. The vast majority of workers in this country are just as patriotic as you or I. They have done nothing which deserves punishment. On the contrary, their patriotism, their industry, their willingness to sacrifice in the national defense is the finest evidence of the success of democratic government that we have today. Thank God that it is so.

Whenever it becomes necessary to force American labor to perform its patriotic duty, we might as well lay down our arms and quit the fight. There will be no chance to win except by the continuance of the voluntary, enthusiastic, and full-measure cooperation of the vast majority of American workers—on the farm, in the factory, and everywhere else.

That there are exceptions to these general declarations must be recognized. These exceptions must be dealt with. Isolated cases, where workers, deceived by irresponsible and, in some cases, unpatriotic leadership, are refusing to build ships and bombers and manufacture munitions while our brave soldiers and sailors die for lack of those things, must be eliminated. The great majority of workers themselves desire that it may be done. It is unfair that they shall be condemned because of the misconduct of a comparatively small number. But

the small number who will not cooperate voluntarily must be made to cooperate, just as the small number who do not voluntarily meet their obligations in selective service and in other defense efforts are made to recognize their responsibilities.

This is not an amendment to enslave labor. It is an amendment to free labor—to permit patriotic Americans in industry upon whom our hopes largely depend to throw themselves fully into the national defense effort to the limit of their capacity, just as our boys in the battle lines are doing for small compensation. Who says that in the face of this great national peril Americans in industry desire to be limited to working 8 hours a day, 5 days a week, unless they are paid time and a half for overtime and double for Sundays and holidays? I deny any such contention. Take the fetters off of American labor and see how fully it will meet your expectations in the defense of our national life and liberty. A sacrifice; yes. Who claims that American labor is unwilling to sacrifice? The arguments advanced here which would bear that construction are not made by men who really represent the heart and soul of American labor.

This proposal, or one like it, will be enacted into law. You may not do it now; you may do it when it is too late. It may be necessary to wait for another Congress to do it. But it will be done, because the American people are not going to stand for the enforcement during this emergency of laws that hamper our defense effort. When Uncle Sam is fighting for his life, they are not going to stand for their own Congress leaving him with one hand tied behind his back by laws that restrain and restrict our defense program. He will be untied. You will either do it or the American people will send somebody here who will. God grant that it may not be done too late, as in the case of France.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, coming from a district in which there is much manufacturing but not having "supped at labor's table" and fearful that I may not be invited, I should perhaps make a statement relative to this amendment. I think that I voted for all these measures that you wish now to modify for the duration. I have often asked labor leaders what I have voted against that did not suit them. They do not seem to be able to tell me.

Mr. Chairman, if we take everybody else by the scruff of the neck under this bill, why should we refuse to act in this matter? It really changes little the advantages already gained by labor. To object so strenuously I cannot understand. We are placing priorities, price control, and every sort of restriction on everybody else. Why not free labor from some of the exactions of the present laws? I have received strong letters from my district asking me if I have not any courage left. The country as a whole is demanding that we show some courage here today, even though it may be a day to try some of your souls, lest you be misunderstood. We must do all



possible to prevent delay of production. This ought to be helpful.

I recall what happened in the city I represent on Washington's Birthday. The papers have carried correspondence expressing both sides of the question of working on that holiday. Mr. Nelson requested workers to work on that day. The union leaders requested their members not to do so. They said that only legislators could make holidays and employers had no right to require them to work. And if they did work on that holiday they should demand time and a half, and if they worked on the following Saturday they also wanted a ruling that they would get time and a half for that day also. I do wish they had returned to work and adjusted the differences later.

Of course, Mr. Chairman, labor does not want to give up anything. They seem to want to consolidate and increase their gains during these critical times. They have some right to deny lack of patriotism by comparison with some other groups. I was on the sidelines when the cantonment in my district was being constructed. I saw men refused jobs on this defense construction unless they paid \$75 to the union. The treasury of that little union was filled to overflowing. In spite of the fact that the labor leaders in my city are of unusual ability and fairly conservative, they undoubtedly feel that they must not yield to any possible weakening of their position. During the last 10 years I have often seen fit to congratulate them in their conduct and the direction of their followers. However, it seems that when a legislator goes along 99 percent, but fails them 1 percent, they have no further use for him. I might as well warn you that unless you vote 100 percent all the time you are no longer trusted by them. Many have tried it. I do not know how the public feel in my district about labor's failure to respond on February 22. I have carefully read the statements of the labor leaders and those who asked them to work, and I again repeat their argument that only legislators can change the situation. Apparently they cannot work more than 40 hours, even if they wish to work, unless they get time-and-a-half pay. This amendment, if passed, would not prevent bargaining and arbitration relating to their pay. It is very generally allowed above the 40 hours.

For the duration of the war I want to uphold the President's hands. Our President seems to think he can handle this labor situation. Some of us do not think he has handled it successfully. He has always given ground, and he will be criticized unmercifully by labor leaders if he does not go all the way. He cannot be 99 percent and fail on the 1 percent, either. I think he must have already learned that. I am sorry to hear the cry go up to the heavens from these Members proclaiming and this amendment does away with all the gains that labor has made. It is not true. This legislation is only for the duration and really affects the situation but little. Strikes and demands and collective bargaining and arbitration will still be in order. It

is quite apparent that this act would simply allow longer hours and different adjustments of pay when both parties agree to the conditions on arbitration.

[Here the gavel fell.]

Mr. MONRONEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. MONRONEY to the amendment offered by Mr. SMITH: On page 1, line 9, of the Smith amendment, after "as amended", strike out the remainder of the line and insert "may be suspended by the President in plants determined by him to be vital to production of war supplies insofar as they."

Mr. MONRONEY. Mr. Chairman, this is a very simple amendment offered in an effort to meet a situation which I believe we all realize we are faced with. This is not a pro-labor amendment nor an anti-labor amendment. We recognize we are in the greatest conflict that has ever faced this Nation. The House is very nervous because the people are very nervous. The strain of war is just beginning to be felt. With our second wind we will soon be ready for all-out effort. We are facing desperate losses in the Pacific.

I believe amendments such as that introduced by the gentleman from Virginia [Mr. SMITH] would have a very disrupting effect upon our war production at this time. It would divide our country without increasing war production.

As Members of the House we have one principal job to get done here. We must ask ourselves the question, "Will it give us more war production?" The Smith bill as offered, I am afraid, would give us less war production. I believe it will promote strikes instead of discouraging strikes. Further—and I believe it is unintentional on the part of the gentleman from Virginia—it comes in under the guise of war effort, but would take away from a great mass of unorganized American workers in strictly nondefense industries the rights and privileges they have long deserved. I do not believe that any group should use the war emergency as an excuse to repeal or suspend protection for workmen in nondefense industries.

From the figures released by the Department of Commerce we find that last year only 25 percent of the industrial capacity of the United States could be devoted to the war effort. The most optimistic estimate of the portion of American industry that will be devoted to the war effort during this coming year is 58 percent at the close of this year. These Smith amendments would take away from at least 42 percent of our workers—those not engaged in the war effort—protection they need against sweatshop conditions.

I realize well that in essential war industries we must have all-out production. I feel that wage-and-hour limits must be suspended in plants and factories vital to the war effort. My amendment so provides that the President may suspend limitations where such production is vital to our war effort.

The President has demonstrated his great humanitarian ideals. He realizes as Commander in Chief the problems that face us on the production line. We in

this House cannot, in legislating, exempt one group of industry and put another under the Wage and Hour Act; but the President, knowing all the war-production conditions and knowing where the bottlenecks in industry exist, has possession of the facts that will enable him to make this determination judiciously. With my amendment in the bill, the President will be given the power he needs to smash defense bottlenecks.

In this war effort we need unity more than anything else. We can lose territory in the Pacific and shipping in the Atlantic and still win the war if we do not lose our unity. Any measure that is brought in here that does not tend to promote unity at this hour is, indeed, dangerous to the future of the Union.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, the day before yesterday I picked up the paper and read an article stating that MacArthur's men are calling for tools with which to fight the Japs. You read that article. The night before last I picked up the evening paper and read that MacArthur himself is calling for tools to fight with.

The lovable majority leader said that this amendment is anti-labor. I beg leave to differ with that distinguished gentleman, and say that this is an amendment of pro-Americanism. When the time comes that American labor cannot be free it is high time that this Congress should act. If MacArthur is calling for help, if those boys are calling for help, for tools to fight with over there, do you not think it is high time that America answer that call?

The original bill that is before the House seeks to suspend the operation of 13 or 14 statutes. One of those statutes is as dear to the American way of life as life is itself. It covers the right to maintain and own property and preserve it until under condemnation proceedings adequate compensation has been paid therefor; yet this title seeks to set aside the basic law of the land. I wonder why someone is not objecting to that part of this bill. We do not hear any objection to it.

The day before yesterday I received this letter:

DEAR SAM: Why should my son sacrifice everything—possibly his life—

I may say that that son is fighting today in the Bataan Peninsula—

while at the same time members of labor unions refuse to work on holidays unless they get double-time pay?

I think that it is high time that Congress puts a stop to all that tommyrot. If the labor unions are stronger than Congress, we might as well do away with the President and Congress and let John L. Lewis and the other foreign agents run things—they're running them anyway. While they are doing it our sons are getting ready to die.

Sam, this is serious. Don't you think that if a member of a labor union doesn't want to work, he should be immediately drafted into the Army at the Army pay and made to do just like the other boys do? It has come to a matter of fight or work. There are a lot of



things I don't like about my job, but I'm not striking about it.

Pull the skids out from under whatever is blocking action against the labor unions there in Congress and let's have a control program that will put the workers in the unions on the same basis as all of the rest of us for the duration.

This father is a professor.

Mr. Chairman, in that same mail I received this letter:

From the standpoint of an average citizen, it looks as if the Members of Congress are going to have to demonstrate to the citizenship of this country that they have some intestinal fortitude. This with special reference to the matter of union labor. Under war conditions, the actions of some of these unions are to the average citizen pitiful. People generally are "riled" up this morning at the action of the union, which for the paltry difference in time and time and a half or double time for 1 day have lost so many work hours from the production for war. The general attitude is expressed by the favorite words of the funny paper character Yard Bird Smith that "time's awasting" for some action to force the unions to do the right thing in case they do not see the swing away from any sympathy for their cause at all. Surely legislation could be passed for the duration of the war to handle this matter. After the war then the law passed would be of no effect.

I have heard it said and written the Congress is not to blame, as the President would block such legislation. People are back of the President fully and believe that he wants to do everything to win this war, so doubt this seriously. It looks as if it is up to Congress, and if they pass this legislation, then and not until then have they done their duty.

If this gentleman from my district had been here yesterday and today, he could readily have seen who is blocking such legislation, and he would at once know that the men in Congress who are opposed to such tactics on the part of any organization and who are fighting their hearts out to eliminate such un-American activities, then he would not blame Congress, and especially those men who have the real interest of America at heart.

Under the war program, as under the main parts of the bill we are now discussing, statutes have been modified for the duration of the emergency. Rights have been taken from citizens and even communities, because we want to further our chances in this terrible conflict. The automobile business—one of the first casualties of the war—has been completely driven out. The men working in automobile establishments have necessarily lost their full jobs. The tire dealers are another war casualty. They too have been put out of business, and their employees have lost their full jobs. In many instances small business enterprises have been completely ruined—all to further the war effort.

And now we find in Congress men who still want to shield labor and object to any kind of a suspension of the labor laws which would free labor and give those men and women the right to work an extra hour or two in order that our soldiers who are fighting unto death may secure better weapons and tools with which to defend themselves.

Mr. Chairman, this does not appeal to me as true Americanism, and I know it does not appeal to the rank and file of

union labor, 85 percent of which is patriotic and wanting to be freed so that they may assert their Americanism in added production for our boys. The Smith amendment will give labor this freedom; it will give them the right to work for our boys who are so sorely in need today. It will allow union labor to work 1, 2, 3, or 4 extra hours in the manufacture of defensive equipment, without extra pay, without time and a half or double time pay, for those boys. And I say again that the rank and file of American labor desires this freedom.

Those union laborers are under a dictatorship. They have to abide by the wishes of their leaders. The Smith amendment would suspend these laws for the duration and throw off the yoke of dictatorship from those people who want to give their best in behalf of their fellow Americans who now are fighting on the battle lines in order that they and their country might survive.

So, Mr. Chairman, let our answer be to the mothers and fathers of America who have boys in our fighting forces, whose businesses have been dislocated—let this Congress now say that it is backing those boys and those people to the fullest by passing this Smith amendment and give their brother Americans who are engaged in the manufacture of equipment, the right to do their best in this hour of peril to all of us.

[Here the gavel fell.]

(Mr. RUSSELL asked and was given permission to revise and extend his remarks in the RECORD.)

#### STRIKES AGAINST THE GOVERNMENT MUST STOP NOW

Mr. CLUETT. Mr. Chairman, I favor the amendment offered by the gentleman from Virginia as title IV-A of the bill now under consideration and will support it. If we are to win this war, labor and our fighting forces must be placed on an equal footing. This is no time to quarrel over hours and pay. We demand of our soldiers everything they have and shall we tell them here that everything they demand from us will not be forthcoming?

While we are engaged in this greatest of all human endeavors, no special privileges should be granted to anyone—high or low, rich or poor, in or out of the Government. Are these demands of labor to be granted? Shall we not resist this pressure on Members of Congress to favor them with shorter hours and increased pay, slowing up our productive capacity when the crying need of the Nation is for the fullest measure of our physical capacity? Is all this the sort of news we wish to send our fighting men in their anxiety for more and more weapons? While we argue they may die, and the blame will rest with us. The President has told us these delays must end. Let us insist that we give him the power to act, and without delay.

There is not in these United States today any more important subject discussed than that of interference with our war production. No matter by what method or by what group, either of capital or labor, it constitutes what is and what will prove to be a most dangerous

situation. Jurisdictional disputes, the right of a closed or open shop, intimidation and violence, and the forceable prevention of a man's right to work present a picture of revolution and disrespect for orderly government which every decent citizen must resent.

While I am aware of the decisions of our highest courts, I have always believed that picket lines strike at the very foundation of orderly government.

I have before me a cartoon or sketch which appeared in yesterday's Time-Herald, which probably you have seen. It depicts a private soldier marching in front of general headquarters, and on this banner are the words "Gen. Douglas MacArthur is unfair to Company C." Is this the kind of thing we are coming to in these dangerous hours?

We have witnessed these scenes from the very doors of the Capitol and protests over them ignored. Even the White House has been subject to such displays. Banners calling men and their places of business unfair and subjecting them to ridicule, and in many cases disruption and loss of their business, and this in a free country. Lines marching under the shadow of our Supreme Court Building with the words "Equal justice under law" emblazoned on that majestic building, a symbol of all we hold right and secure for every citizen. Picketing and its certain corollaries, strikes, and disorders not only have no part in our supreme war effort, but people are demanding that the Government put a stop to them at once. Appeals for sacrifice for the purchase of Defense bonds and for immediate and all-out defense production become a mockery unless every lawful method is employed to prevent these attacks.

The news of such disorders and delays and disruption of our war effort is enough to dismay and dishearten the millions of our young men who are eagerly waiting and watching for fighting equipment which may mean life or death to them—men waiting to make more sacrifices than those of us at home can possibly contribute. Unless this Government can prevent such a situation, I shall be ashamed to call myself a citizen. Can any demand be more compelling?

Legislation passed by this House last year which would have corrected to a large extent strikes and disorders and subsequent closing down of defense factories has been refused immediate consideration by the Senate, and apparently our voice and efforts have been of no avail. Who are responsible for this? What a waste of our time—valuable time, critical time—and today thousands of man-hours are being lost which cannot be regained despite reports that all is quiet on the Potomac, and everywhere else where quiet means lay-offs and shut-downs and idle defense machinery.

Let us compel these racketeers to work or fight. No one would approve of this order more than labor itself, who are sick and tired of the commands and penalties put upon them by irresponsible union leaders.

We have seen all other efforts of conciliation and compromise fail. In God's name let this Congress act now before it is too late.



Mr. THOMASON. Mr. Chairman, I rise in support of the Monroney amendment.

Mr. Chairman, I can in good conscience and with complete sincerity support the Monroney amendment, because I think there is a lot of virtue in it. But when it comes to the so-called Smith amendment, I honestly fear that some of the Members of the House are letting their prejudices get the better of their judgment. Perhaps the Monroney amendment should be defeated until the committee has time to give it careful study; but if either is to be adopted now, it is far preferable to the Smith amendment.

A careful reading of the Smith amendment will disclose that, without any hearings or testimony by the committee, an amendment is offered to the war powers bill by the gentleman from Virginia [Mr. SMITH] suspending 17 labor acts that have been passed during the last 30 or 40 years. I am not certain, but some have claimed that it even suspends the Adamson 8-hour law for railroad men.

Mr. RUSSELL. Oh, no.

Mr. THOMASON. That charge was made here yesterday, and I have not had opportunity to give it close study, but certainly, whether it does suspend that law or not, it repeals some of the most important labor laws that have been passed during the last 25 years, regardless of what administration may have been in power. I am not going to be a party to any such hasty and unwise action. Such a law would be an unjust and futile slap at all labor, organized and unorganized.

Mr. RUSSELL. The gentleman means "suspends" instead of "repeals."

Mr. THOMASON. Yes; I accept the correction. I mean suspend, which would probably amount to the same as repeal. Honest labor would never regain its lost ground.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that there is probably in this repealer or suspension a repeal of the child-labor provision?

Mr. THOMASON. I have heard that strongly contended; and not only the child-labor provision, but some are even claiming it suspends the right of collective bargaining and that we go back to the old sweatshop days and suspend all labor laws insofar as they affect private industry. Honest and patriotic labor has fought for years for this legislation. I am not willing to sabotage them now.

I am one of those who believes that 98 percent of labor is just as patriotic as any of the Members of this House, and I am not willing to indict and to condemn 98 percent of the American laboring people for the sins of 2 percent. If you want to be both fair and practical about this thing, it seems to me the adoption of the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY] would be quite reasonable and accomplish the desired end. As for my own part, I did what the great majority of the Members did when we passed the Smith bill which is now pending in

the Senate. I supported and spoke for the so-called Connally bill. But we are not responsible for the action of another body; and now to go along with this bill and with one bold stroke, without any hearing or study, suspend 17 of the labor laws for which decent, honest, patriotic labor has struggled for 25 years, I undertake to say, is not fair, and I am not willing to support it. As the gentleman from Oklahoma so well said, such action will be conducive of discord rather than harmony. Such legislation would provoke rather than stop strikes. I join with him in his plea for unity. If there ever was a time when we ought to say to the 98 percent of honest and patriotic labor in this country, whether in munitions plants or wherever they may be, that they ought to be commended and we should applaud them for their efforts, it is now. I will support, as I have done, a bill to put the 2 percent, including their crooked leaders, out of business.

I sincerely hope that the Smith amendment is not adopted. I think the other is quite feasible and quite reasonable and will accomplish the desired end.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman.

Mr. HOFFMAN. Is not the Monroney amendment an amendment to the Smith amendment?

Mr. THOMASON. Yes; and I am for it. I am willing to trust the Commander in Chief to do the necessary thing. I still believe in him.

Mr. HOFFMAN. A substitute for what?

Mr. THOMASON. It amounts to a substitute for the Smith amendment.

Mr. HOFFMAN. Do we not have to adopt the Smith amendment in order to get in the Monroney amendment?

Mr. THOMASON. The vote comes first on the Monroney amendment.

Mr. HOFFMAN. Yes.

Mr. THOMASON. I am not certain what the parliamentary situation is in that respect. Regardless of what it may be, it will have the effect of killing that part of the Smith amendment that absolutely suspends all these acts. It leaves it to the discretion of the President and refers only to defense industries.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. With all deference, the Monroney amendment is an amendment to the Smith amendment, and the substance of it is that it gives the President of the United States power to suspend such acts in plants determined by him to be vital in war production.

Mr. THOMASON. I stand corrected, and I thank the gentleman. That is the end sought to be accomplished, and I hope the Monroney amendment will be adopted. There is not a word in the Smith amendment about strikes. It would not accomplish that end. It would only create confusion and discord. We all want to stop strikes, and I have voted for every bill that has that for its purpose. The Connally bill had that for

its objective. The only thing this Smith amendment would accomplish would be to place in the pockets of big rich contractors who already have lump-sum contracts the large sums of money they would save by not having to pay time and a half for overtime under their collective bargaining contracts. This is no time to smear all honest and patriotic labor for the sins of a few. I will not be a party to it.

Mr. O'CONNOR. Mr. Chairman, I am just as much opposed to any interruption in the production of our war equipment by strikes, or by any other reason, as any Member of this House. I listened to the President of the United States the other night, and he made this statement, and he made it in such fashion that I know that he meant it. He said that there will be no interruption in production. He has the power to put that statement into effect now. Automatically, when war was declared by this country, the President of the United States assumed a dual capacity—first, as President, and, second, as Commander in Chief of the American Army and Navy. He is responsible for the conduct of this war. He knows what we need. He knows what is best to keep up and facilitate production. He has not asked for the Smith amendment, nor has he asked for the Monroney amendment. Let us not give him something he may not want. I am willing to trust the President of the United States in this matter. What is the history of this proposed legislation? Parenthetically speaking, several men supporting these amendments have taken this floor and deprecated the fact that our draftees and selectees are serving in the Army for \$21 per month. I feel the same way as they profess now to feel, but I wonder where they stood when I tried to raise the base pay of the selectees to \$50 per month when the conscription bill was before the House for consideration. Where were those gentlemen then? Did they vote for my amendment?

Mr. MURDOCK. Mr. Chairman, I want to remind my friend that I voted for this amendment offered by him.

Mr. O'CONNOR. I want to read from what the Attorney General, Mr. Biddle, said. He is testifying before the committee which reported out this bill. The gentleman from Nebraska [Mr. McLAUGHLIN], the chairman of the subcommittee who held the hearings, yesterday very lucidly, clearly, and ably told us how this bill came into existence, and that should be enough for any Member of this House to satisfy him that the bill should not be amended by including such a controversial subject as is embraced in the amendment of the gentleman from Virginia. What did Mr. Biddle say? I quote from his testimony:

It might interest you to know the method in which the bill was originally prepared, as I think it is probably a very good technique, particularly during this period when many of the departments are anxious to get through bills which they think affect their efficiency in the war.

What we have done—we did this immediately after war broke out, with the approval of the President—was to organize a small subcommittee in the Department of Justice, of which the members are Judge Townsend,



who is the Acting Solicitor General, and in charge of our Opinion Section and Drafting Section; Mr. Cox here, who is General Counsel for the Office for Emergency Management, an important job, who is a member; and a Mr. Kemp, general counsel of the Bureau of the Budget, who was designated by Mr. Harold Smith, the Director, to sit on that subcommittee. In that way we were able to clear rather more quickly than by the usual procedure the demands and requests of the various departments. I wrote to all of the departments and requested them to clear, through me, any legislation they had in mind, because so often a bill will affect different departments.

So, every department was called upon to submit to the Department of Justice what they thought was necessary to facilitate the production of war materials. The bill was drafted, now what follows? He further stated that after that the bill was sent to the leaders of the Senate and the House, to Mr. BARKLEY, and the Speaker of the House, and that they would, of course, distribute it to the various committees.

The Speaker of the House then referred the bill, very properly, to the Committee on the Judiciary of the House. This committee to my way of thinking is one of the ablest and just of this body.

Mr. Chairman, has the Speaker asked for any change in this? Has the President asked, or the Department of Justice asked for this addition? No. Now what is this bill? I quote further from Mr. Biddle's testimony:

The second war powers bill is composed of a number of measures needed by the various Government departments and agencies in the prosecution of the war effort.

Mr. Chairman, I think if this amendment were to be adopted by Congress it would not serve to increase production and after all is said and done that is what we are aiming to do by this bill. That is why the Department of Justice worked on it pursuant to requests from the various other departments and that is why the President approved it. Increased production was and is our objective. We cannot, by innuendo or otherwise, cast aspersions upon the patriotism of the laboring class of people of this country. They are the ones who are actually making the ships, planes, tanks, guns, and ammunition. They are as patriotic as we are or as any other body of men and women are. Among them, of course, are exceptions but such exceptions constitute a negligible percentage.

Now as the gentleman from Massachusetts [Mr. McCORMACK] well said yesterday, he did not believe it was the intention of the gentleman from Virginia [Mr. SMITH] to indict labor as a specific class, but regardless of the intention of the author of the amendment, the reasonable interpretation to be placed upon it when the debates of the House will be examined is that it takes a crack at labor. Had we better not, in the interests of unity, in the interest of sustained and increase of production of war materials, be on our guard lest we question the patriotism of such a class of people as the laborers of this country, because after all that old saying, "you can lead a horse to water but you cannot make him drink," still rings true. Ninety-nine percent of labor today is behind our Commander in

Chief of the Army and Navy. Our Commander in Chief knows this—hence he is not asking for this legislation. Again let me say we must not overlook the fact that we should not be blind to the forest because we see nothing but some brush close to us. The forest I have in my mind's eye is our great big, fine United States and all of our people. The brush that obscures our views of the forest is the maybe 1 percent of the laggards in our production program.

The CHAIRMAN. The time of the gentleman from Montana has expired.

(By unanimous consent, Mr. O'CONNOR was granted leave to extend his remarks in the RECORD.)

Mr. FOLGER. Mr. Chairman, I offer the following amendment as a substitute for the Smith amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. FOLGER offers the following amendment as a substitute for the Smith amendment: Amend title IV of S. 2208, by adding after the period in line 11, the following:

"Whoever, during the period of this war and while the United States is engaged therein shall order, call, advise, or cause any strike, walk-out, or lock-out of workers (a strike, walk-out, or lock-out resulting) in any plant, factory, mill, mine, or other place engaged in defense or war production work, shall be guilty of a felony, and, upon conviction, shall be punished by fine of not more than \$5,000 or imprisoned for not less than 1 year nor more than 10 years, in the discretion of the court. Such offense shall be deemed as an offense against the United States of America and shall be cognizable in the district courts of the United States and the District of Columbia."

Mr. CASEY of Massachusetts. Mr. Chairman, I make the point of order against the substitute amendment.

The CHAIRMAN. The gentleman will state the ground of his point of order.

Mr. CASEY of Massachusetts. It has to do with walk-outs, lock-outs, strikes, and it contains penal provisions, punishment for certain action that has nothing whatever to do with the purpose of the bill under consideration.

The CHAIRMAN. Does the gentleman make the point of order upon the ground that the substitute is not germane?

Mr. CASEY of Massachusetts. That it is not germane.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from North Carolina on the point of order.

Mr. FOLGER. As the Chair observed yesterday this is an unusual bill in that it deals with many subjects, but at the same time is designed, and intended to expedite and to prevent interference with war production in this country. I submit, Mr. Chairman, that this strikes at the very root of interference with and therefore tends to expedite the war production in this country. I am seeking to get at the leaders and not to take away from the men themselves every right in the world that they have obtained under the law.

Mr. CLARK rose.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. CLARK. I do, sir.

The CHAIRMAN. The Chair will be pleased to hear the gentleman.

Mr. CLARK. Mr. Chairman, as I understand the question of germaneness, it means things between which there is a close relationship; a pertinency. If you go right to the bottom of the term, technically it means kinship.

On yesterday when the point of order against the Smith amendment was being presented, the gentleman from New York [Mr. CELLER] at some length proceeded to show how the several subjects in this bill are wholly unrelated and not germane one to another. Certainly there is no close relationship between the naturalization of a citizen and the right of the Federal Reserve bank to buy bonds directly from the Treasury.

The CHAIRMAN. Would the gentleman indulge the Chair a moment at that point?

Mr. CLARK. Certainly, Mr. Chairman.

The CHAIRMAN. The Chair directs attention to the fact that the question here presented is not a point of order against the amendment offered by the gentleman from North Carolina [Mr. FOLGER] to the pending bill. The point of order here presented is that the amendment offered by the gentleman from North Carolina [Mr. FOLGER] is not germane to the amendment offered by the gentleman from Virginia [Mr. SMITH]. The question here presented is whether the amendment offered by the gentleman from North Carolina is germane to the pending amendment—not to the pending bill.

Mr. CLARK. I thank the Chair for having noted that distinction. May I make a parliamentary inquiry of the Chair?

The CHAIRMAN. The gentleman will state it.

Mr. CLARK. Would the way be open to offer the amendment as an amendment to the original bill? If so, I would not care to discuss the point of order at the present time.

The CHAIRMAN. It could be offered at the proper time. The Chair could not undertake to rule on what question might be raised later.

Mr. CLARK. Now, on the other point, as to whether this may be germane to the Smith amendment, I only want to make this brief observation: The bill under consideration, from its inception, wholly ignores any rule of germaneness as we commonly consider that question. The only common ground upon which these several subjects can stand is that they would facilitate or expedite the war effort. If the Smith amendment is germane to the bill it must stand only upon that ground—the common ground of promoting the war effort. If the amendment now offered by the gentleman from North Carolina [Mr. FOLGER] qualifies as being in line with the general principle of promoting the war effort, of expediting the war effort, then it would have its feet planted firmly upon the only ground upon which these several wholly different subjects could be considered by the Congress.

Let me add, Mr. Chairman, I say that because since the fall of France the primary problem of America has been one



of production. As the tragic days have passed that problem has increased day by day, and we have come now to the point where unless America can produce itself out of its difficulty it will not get out. In my judgment, from a common-sense standpoint, if the amendment offered by the gentleman from North Carolina [Mr. FOLGER] would tend to increase the productive power of the Nation, it must be germane to this omnibus war-powers bill.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from North Carolina [Mr. FOLGER] offers an amendment as a substitute for the pending amendment offered by the gentleman from Virginia [Mr. SMITH]. The gentleman from Massachusetts [Mr. CASEY] makes a point of order against the amendment offered by the gentleman from North Carolina [Mr. FOLGER] on the ground that it is not germane to the amendment offered by the gentleman from Virginia [Mr. SMITH].

The Chair feels it appropriate to again call attention to the fact stated a moment ago that there must be borne in mind a very clear distinction on the point as to whether the amendment now offered by the gentleman from North Carolina would be in order to the pending bill and as to whether it would be in order as a substitute for the pending amendment. Of course, the Chair does not now undertake to pass upon the question of whether the amendment offered by the gentleman from North Carolina would be in order if offered as an amendment seeking to include a new title in the pending bill.

The Chair has analyzed the amendment offered by the gentleman from North Carolina solely on the question presented by the point of order made by the gentleman from Massachusetts as to whether the amendment offered by the gentleman from North Carolina is germane to the pending amendment offered by the gentleman from Virginia. The Chair invites attention to the fact that the amendment offered by the gentleman from Virginia relates only to the question of hours, days, or weeks of labor and compensation therefor. The amendment offered by the gentleman from North Carolina goes much further and is much broader than the scope of the amendment offered by the gentleman from Virginia.

The amendment offered by the gentleman from North Carolina, among other things, deals with strikes, walk-outs, lock-outs, and imposes penalties. The amendment offered by the gentleman from Virginia does not go nearly that far and does not undertake to impose penalties. The Chair is therefore of the opinion that the amendment offered by the gentleman from North Carolina is much broader than the amendment offered by the gentleman from Virginia and is not therefore germane.

The Chair sustains the point of order.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last several words.

Mr. Chairman, we have heard from nearly everybody on this subject except the soldier. I have a letter here which I had caused to be printed some time ago

in the Appendix of the RECORD. This letter comes from a young man serving in the Philippines and was mailed from the Philippines on December 19. It arrived here not long ago, and if you will bear with me and give me your consent I shall be very happy to read it. It reads:

DECEMBER 19.

DEAR MOTHER AND DAD AND MY GOOD FRIEND THE CENSOR: This is to let you know that I am still alive and kicking and expect to be when I reach home. I'll probably slip and fall in the bathtub after I get there. But I'll be alive when I get back. I can't tell you anything because this is censored about three times. So I'll try to put down what I think won't be scratched out.

Stan sent a telegram to his mother, and I hope she called you because he said I was safe. I don't know whether Stan is alive or dead. I haven't seen him for 2 weeks. We who are with the planes have been separated from our regular outfit for about 2 weeks. We've practically been hiding from the enemy ever since the war started. We are so short-handed that each man is doing the work of 10. And you can't accomplish much when you expect a rain of death from above every time you hear the drone of an airplane.

I can tell you right now that, for the rest of my life, every time I hear a plane my insides are going to quiver from the thought of some of the smells and sights I've seen.

#### SLAUGHTERHOUSE OF DEMOCRACY

The Philippine Islands might appropriately be called the slaughterhouse of democracy.

I wish you would spread it around in that "arsenal of democracy" (so-called) that you're living in that we could use a little help over here. I went through two visits from our so-called little yellow friends, and let me tell you here and now I'll never eat chop suey again. I'm going to hear the scream of falling bombs for a long time. Tell Jonesy to tell all the gang who work at Lockheed that we boys who are crouching down here in the jungle when a slant eye comes over would appreciate it if they took a little interest in their work and worked a little faster. And you might use a few swear words when you tell them. I might tell you that the place where we were stationed is now nothing but blood and sand and a few smoking wrecks, but I won't, because the censor will probably cut it out.

#### LOSES BELONGINGS

I'm glad to get out of there because it got kind of tiresome diving for trenches every few minutes and having to dig sand out of my ears for hours later. We have been isolated from all towns and villages, so I couldn't send a wire. All my belongings were lost back at the field. I have one pair of shoes, socks, and coveralls to my name. Well, I must close now. Lord knows when I'll be able to write again. I love you both and I'll see you soon.

JACK.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. CASEY of Massachusetts. Does the gentleman think the passage of this Smith amendment would expedite production at the Lockheed plant which was mentioned in the letter?

Mr. HINSHAW. I am not attempting, at this point, to discuss the Smith amendment. I merely offer this view of the

ordinary soldier, who is doing the actual fighting and dying. I hope the Lockheed plant will continue as it is now, producing far in excess of its schedule. It is far ahead of its program, all of which would be good news to the writer of that letter if he could but hear it.

Mr. CASEY of Massachusetts. That is what it is doing at the present time without the Smith amendment?

Mr. HINSHAW. Yes. In fact, they are so far ahead of schedule that it has been found necessary temporarily for them to drop back to the 5-day week in order to give their subcontractors and material supply men time to catch up.

Mr. Chairman, as I read the Smith amendment, it does not affect any of the rights of collective bargaining, and, in fact, it has very little effect, if any, upon wage and hour agreements now in force. I doubt that it can have any force or effect upon any contract now existing between an employer and his employees. Consequently it can only affect the employment conditions of that great body of workers, unorganized, who have no contracts with their employers, and these workers are not employed to any great extent in defense industries. I believe the amendment is intended by its author to prevent the payment of time and one-half and double time to employees in defense industries when they work overtime or on Sundays or holidays, but these provisions exist in contracts or agreements between workers and employers in defense industries. I doubt that any law we could pass could abridge those contracts. If that be true, then this amendment merely opens up to exploitation that great body of workers not working under wage-and-hour contracts and not employed in defense industries.

Mr. Chairman, the ramifications and far-reaching effects of this amendment should be carefully studied by a committee of this House, and a carefully thought-out measure submitted before I care to vote on the questions involved. I shall, therefore, vote against this amendment, while recognizing that there are great questions here yet to be solved.

Mr. BULWINKLE rose.

The CHAIRMAN. For what purpose does the gentleman from North Carolina rise?

Mr. BULWINKLE. In opposition to the amendment.

The CHAIRMAN. The gentleman from North Carolina is recognized for 5 minutes.

Mr. BULWINKLE. Mr. Chairman, I rise at this time to ask the gentleman from Virginia, the author of the amendment, if he will give me the sections of the Communications Act of 1934 which his amendment attempts to repeal or suspend.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. SMITH of Virginia. I take exception to the gentleman's use of the word "repeal," because it does not repeal any provision of law; it merely suspends them during the emergency.

Mr. BULWINKLE. I said "or suspend."



Mr. SMITH of Virginia. The gentleman will find in the RECORD of day before yesterday a full and complete reference to all laws sought to be suspended.

Mr. BULWINKLE. I am asking the gentleman now if he can state to me that particular section?

Mr. SMITH of Virginia. If the gentleman will yield further, if he will read the provisions of H. R. 6616, which is this amendment, he will find exactly what is suspended. No law is suspended in toto.

Mr. BULWINKLE. I am asking the gentleman again if he can and will tell the Committee what portion of the act of July 21, 1932, which applies to the Reconstruction Finance Corporation is suspended?

Mr. SMITH of Virginia. And I reply again to the gentleman that if he will look at the extension of remarks which I put in the RECORD day before yesterday he will find that out.

Mr. BULWINKLE. May I inquire of the gentleman: Does he not know what he repeals?

Mr. SMITH of Virginia. If the gentleman is not going to allow me to answer his question, I cannot enlighten him.

Mr. BULWINKLE. I am asking the gentleman for information.

Mr. SMITH of Virginia. If the gentleman will permit me to answer, I will.

Mr. BULWINKLE. Answer. That is what I am trying to get.

Mr. SMITH of Virginia. I cannot answer if the gentleman persists in interrupting me.

Mr. BULWINKLE. Go ahead, sir.

Mr. SMITH of Virginia. I set forth in my extension of remarks the laws that are affected. Now, in a few minutes' time, if the gentleman has not had time to read it by then, I can answer his question further. I cannot offhand.

Mr. BULWINKLE. Cannot the gentleman tell me what part of the Communications Act it suspends?

Mr. SMITH of Virginia. If the gentleman will yield, it would not be necessary for me to tell him if the gentleman would read the amendment, which is this: It suspends that part of each one of those laws which prescribes maximum hours, days, or weeks of labor.

Mr. BULWINKLE. What are the section numbers?

Mr. SMITH of Virginia. Section numbers of what?

Mr. BULWINKLE. Of the laws that it suspends.

Mr. SMITH of Virginia. Every section that fixes hours and wages. (b) It suspends that part which requires compensation at a higher wage than usually paid by an employer.

Mr. BULWINKLE. What section is that, sir?

Mr. SMITH of Virginia. That is section (b) of the amendment, section No. 1.

Mr. BULWINKLE. Of the original Communications Act. That is what I am trying to get.

Mr. SMITH of Virginia. I do not know what it is, and it is not material what section number it is.

Mr. BULWINKLE. It is not?

Mr. SMITH of Virginia. No; of course it is not.

Mr. KEEFE. I can tell the gentleman.

Mr. BULWINKLE. Does not the gentleman think it is material to the membership that it should know what is to be repealed, what we are acting on?

Mr. SMITH of Virginia. I am certain I do not follow the gentleman. Will the gentleman yield further?

Mr. BULWINKLE. There is a gentleman over here who says he knows which section of the law it repeals. I would like for him to tell me.

Mr. KEEFE. It is perfectly obvious that any law or any sections of the Communications Act are only the sections that are touched in the particular specified in the Smith amendment. It seems to me that we ought to get down to some real argument in connection with this matter instead of being capricious and captious about it. Anyone who has read this law knows what is in it.

Mr. BULWINKLE. Has the gentleman read the original law to know what he is repealing?

Mr. KEEFE. I will tell the gentleman in a few minutes when I take the floor, and I will not take up a lot of foolish time, either.

Mr. BULWINKLE. I will give the gentleman time now if he will tell me.

Mr. HEALEY. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Massachusetts.

Mr. HEALEY. Does the gentleman think it is good legislative practice to attempt to suspend or repeal a section of law without referring specifically to the section?

Mr. BULWINKLE. No; I do not; and that is the very reason why I speak before the Committee now, because, with 435 Members on the floor of the House, some information ought to be given. I listened to the speech of the gentleman from Virginia yesterday, and not one word was stated pointing out the particular sections in any act which it was attempted to repeal.

Mr. McCORMACK. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I call the attention of the gentleman from Wisconsin [Mr. KEEFE] to the fact that the gentleman from North Carolina [Mr. BULWINKLE] is one of the most honorable Members of the House and very seldom bothers the House by taking up its time.

Mr. BULWINKLE. I thank the gentleman.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BULWINKLE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that if there is no provision of the Communications Act of 1934 respecting hours or respecting compensation that act will not in anywise be repealed by this amendment?

Mr. BULWINKLE. Well, then, it shows the absolute absurdity of the way we are trying to legislate now.

[Here the gavel fell.]

Mr. GWYNNE. Mr. Chairman, I offer a substitute amendment, which I have at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. GWYNNE as a substitute for the Smith amendment: Page 12, after line 11, insert a new title, as follows:

"TITLE IV—A

"The Judiciary Committee of the House is hereby directed to make an immediate study of all laws now regulating or relating to the hours, rate of pay, compensation, and other conditions of employment, both public and private, with a view to determining which of such laws actually impede or delay the production of munitions or implements of war, and to make such recommendations as may appear advisable to expedite the production of munitions and implements of war."

Mr. McLAUGHLIN. Mr. Chairman, it is with some reluctance that I rise to make a point of order against the substitute amendment offered by my distinguished colleague from Iowa [Mr. GWYNNE], for whom I entertain the highest respect; but in order to keep this debate within bounds and to keep the consideration on the subject matter of this bill I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentleman from Iowa [Mr. GWYNNE] desire to be heard on the point of order?

Mr. GWYNNE. Mr. Chairman, in view of the ruling made by the Chair yesterday, this amendment which is offered as an amendment to the bill would, in view of the broad purposes of the bill, be germane, in my opinion. It is true that the question here is whether the substitute amendment is germane to the Smith amendment. But the Smith amendment deals with the suspension of certain laws. This deals with a survey of those same laws. I submit, Mr. Chairman, it is germane, and it is offered, of course, as a substitute.

Mr. SMITH of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. Is there not another amendment pending to this amendment, the Monroney amendment?

The CHAIRMAN. There is an amendment to the amendment pending. This is offered as a substitute for the Smith amendment.

Mr. SMITH of Virginia. For the original amendment?

The CHAIRMAN. For the original Smith amendment.

Mr. CASE of South Dakota. Mr. Chairman, I merely wish to observe that as I heard the proposed substitute amendment read it deals with the same subject as the Smith amendment and does not expand the scope of the Smith amendment. It has modified rather than expanded it. If that is true, it is germane and the question of germaneness would rest upon the same grounds as the Chair held the Smith amendment germane yesterday.

The CHAIRMAN (Mr. COOPER). The Chair is ready to rule.

The gentleman from Iowa [Mr. GWYNNE] offers an amendment as a substitute for the pending amendment offered by the gentleman from Virginia



[Mr. SMITH]. The gentleman from Nebraska [Mr. McLAUGHLIN] makes a point of order against the amendment offered by the gentleman from Iowa [Mr. GWYNNE] on the ground it is not germane to the pending amendment offered by the gentleman from Virginia [Mr. SMITH].

The Chair would invite attention to the distinction heretofore pointed out as to the question of germaneness to the pending bill and germaneness to the pending amendment. The Chair does not feel it necessary to comment further on this distinction.

The amendment offered by the gentleman from Virginia undertakes to enact certain substantive provisions of law. The amendment offered by the gentleman from Iowa provides for an investigation. Of course, the matter of ordering an investigation would be a proper subject matter to address to the House Committee on Rules.

The Chair invites attention to section 2911, volume 8, Cannon's Precedents of the House. Without taking time to read the decision in full, the Chair invites attention to the fact that there an amendment was offered to a pending revenue bill to provide for an investigation of certain questions relating to the subject of revenue. It was held that such an amendment was not in order.

The Chair feels that in view of that decision the amendment offered by the gentleman from Iowa is not germane to the pending amendment offered by the gentleman from Virginia and, therefore, sustains the point of order made by the gentleman from Nebraska.

The Chair recognizes the gentleman from Massachusetts [Mr. CASEY].

Mr. CASEY of Massachusetts. Mr. Chairman, it is always a good thing whether in baseball or golf or in legislation to keep your eye on the ball. We have talked here about strikes, about MacArthur's men needing help, and about production, and these have no place in the Smith amendment. The Smith amendment does not seek to regulate anything with respect to labor. The Smith amendment does not seek increased production, and its purpose certainly would not be fulfilled if it did seek it. All the Smith amendment would do is to destroy certain wage standards, to cut wages.

Whose wages would be cut? Let me make this point that has not been made. Not the men who are members of the C. I. O., not the men who are members of the A. F. of L., and not the men who are members of the brotherhoods, because they have existing contracts they have negotiated which guarantee them time and a half for overtime. Therefore, who would the amendment affect? It would affect those who toil and are not covered by existing union contracts, those who need our help, those who are not getting high wages.

Mr. Henderson testified before a committee recently that two-thirds of the income of that group was overtime pay. Therefore, you see the effect of an ill-advised, ill-conceived amendment like this. It would be to exploit the poorest class of wage earners.

Who would they be? There are some sections of the country where textile mills are located. There are some sections of the country where textile mills are wanted. The employers would have the advantage down there of not having to pay union rates with time and a half for overtime. Do you begin to see the light in this? This is not a war measure.

Take an employee who is working on a war contract; let us see how it would affect him. It does not concern the employer's profits, which are already fixed. He is going to get his profits, which are already fixed. But if you allow him to take away the time-and-a-half provisions which were considered when his profits were fixed, and not pay time and a half for overtime to his employees, he pockets that as extra profits. That is the result of this bill; he pockets that as extra profits. In other words, this means higher profits for the employer who is outside of union contracts, because he takes advantage of the wage cuts suffered by those who can ill afford them.

Mr. LELAND M. FORD. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I yield to the gentleman from California.

Mr. LELAND M. FORD. In the case of highly trained and highly skilled men, there may be a million men, out of which perhaps only 100,000 would be qualified to work on airplanes. You cannot get additional men, yet you must have planes produced and munitions produced and guns produced. These men are the only ones trained and qualified to produce such articles. Does the gentleman, therefore, not think it reasonable to stretch the hours so that the production we need so badly can be increased? There is one spot where this amendment would be helpful.

Mr. CASEY of Massachusetts. I agree that is what we should do, but that is not one spot where this would be helpful, because the men who are skilled, the men who are making airplane parts, are members of craft unions and are already getting high wages and are guaranteed time and a half for work over 8 hours. This bill does not affect them one iota.

Mr. MCCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. MCCORMACK. I have here a letter from the Department of Labor stating that a very large number of firms are working 48, 50, even 60 hours per week now.

Mr. CASEY of Massachusetts. Of course, they are working 48, 50, and 60 hours, and this amendment will not increase the time the men will be employed one bit. This does not increase production, it does not have any regulations, it does not affect the men who have ever struck, it does not affect union men, and it does not affect men covered under union contracts now, but it does affect those in the lower strata of labor who are not covered by bargaining contracts.

[Here the gavel fell.]

Mr. CASEY of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. McLAUGHLIN. Mr. Chairman, I shall not object to this request by the gentleman from Massachusetts, but I am going to object to any further requests for additional time. It is now 2 o'clock on Friday afternoon. We have debated this section at considerable length. There has been no effort to stifle debate. However, it is hoped that this bill may be acted upon before the close of today's session. Of course, time is running on and we will have to regulate the time of the membership because we still have 12 more titles of this bill to pass upon. So I now serve notice that, so far as I am concerned, I shall object to additional requests for extensions of the 5 minutes.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, may I ask the gentleman in charge of the bill, what about later on in the afternoon? There are some of us who have been waiting since yesterday noon to talk on this subject. Are you going to ask, after a while, for a restriction on the debate so as to shut us out?

Mr. McLAUGHLIN. It is hoped, I may say to the gentleman, that we may be able to arrive at an understanding or an agreement as to the time to be consumed on this title.

Mr. HOFFMAN. This looks like pay and a half or time and a half for the gentleman who is talking.

Mr. CASEY of Massachusetts. Of course, I am in favor of that.

Mr. RICH. Mr. Chairman, reserving the right to object, if the gentleman who is in charge of the bill is going to refuse any further requests for additional time, why does not the gentleman start in now to do it? I like to hear the gentleman from Massachusetts speak. I love him, and I think he is a fine fellow, but we do not want to give preference to anybody. I think we ought to clear the floor now and observe the 5-minute rule.

Mr. RANDOLPH. Mr. Chairman, reserving the right to object, I am sure the gentleman and the committee in charge of this debate are going to be fair to the individual Members, no matter on which side they may sit, and I do feel that this is a matter of extreme importance and that the House could well afford to continue in session today and tomorrow, if necessary, to bring it to a conclusion.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. CASEY] to proceed for 5 additional minutes?

There was no objection.

Mr. CASEY of Massachusetts. Mr. Chairman, I want to address my remarks to some of the Members from the agricultural districts. I heard my beloved friend the gentleman from Kansas [Mr. HOPE] speak in favor of the Smith amendment. I am sure, if he had considered it in all of its implications, he would not have taken that stand, and that is why I am trying to reason this out with all the logic I possess, and after giving the matter some study.



Next week there will come before this body the Bankhead Act, which has for its purpose the freezing of staple commodities like wheat and forbidding the Government to sell at below the parity price. Now, I represent a few dairy farmers. Those who represent the rural sections will undoubtedly support such legislation, and then, of course, my dairy farmers will have to pay more for the feed for their cows. They will have to transmit an increase of 2 or 3 cents a quart for milk to the consumers and to those who labor. The same thing applies to the men who raise hogs. The cost of their feed rises and the prices of hogs and of meat go up correspondingly. The same thing is true of wheat that goes into bread. This causes the price of the food of the poor to go up. I am not discussing the merits of such legislation now, but I am showing you the illogical and inconsistent position in which some of you will find yourselves. Next week some gentlemen representing agricultural districts will support a bill that will inevitably mean higher living costs, and today they are supporting a bill that cuts the income of those who will have to buy the things coming from the agricultural districts. I do not see how anyone can consistently maintain both positions.

Another objection that has been raised here is that a soldier gets only \$21 a month. Now let us examine that argument. You cannot buy patriotism. You cannot put a price upon the worth of a man who is willing to go out and place his life upon the altar of his country and make the supreme sacrifice. You cannot put that in dollars and cents. We do make it obligatory by selective service, and we do allow it to be voluntary; but if you take that \$21 standard and if you apply it to labor, and you say, "Labor, you have got to do this just as the soldiers have to do it," then you might as well go into civilian life and go into the shops and the mines and the mills and the factories and cut their pay and fix their hours of employment by legislative fiat. Do this, and you make them serfs of a totalitarian government. Then you must go all the way and have your socialized state or your totalitarian government. Take over your capital and your management and everything else concerned, and then you have a socialized state, if you want to go that way. But do not just take labor alone as an example and always say, "Look what the soldiers are doing for \$21 a month." After all, labor knows what the soldiers are doing for \$21 a month. Labor is a numerous group in this country. The sons and brothers of those who work are soldiers, and they know and appreciate their problems.

Now, in closing, I want to tell you there is only one thing to keep our eyes on now, and that is this: The front line of this war is in the shops; it is in the factories; it is in the mills. We can lose it or we can win it there. This war will require billions of dollars' worth of raw materials, it will require billions of dollars in money; but it will also require the work of millions of hands and the work

of millions of brains. We want to be unified. We do not want to be disturbed by sniping at any particular group. This is an attempt to undermine wage standards that have been established for 30 years and that have been won through hard work, through agitation, through public sentiment favoring them. It will be undermining through the back door, under the guise of "we are in a crisis," the very people whose loyalty we depend on now. We can lose this war if we slow up our factories or waste our ammunition by sniping at one another. If labor is forced to consume its time and energy trying to protect its very existence, it will not be free to devote all of its talents to the No. 1 job of production. American labor, American farmers, and American capital are an unbeatable combination. Let us stop sniping. Let us all work together.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I move to strike out the last word. I am delighted that the gentleman from Massachusetts [Mr. CASEY] has brought this argument out of the realm of hysteria and prejudice and has discussed this bill through the eyes of common sense and reason. I was amazed yesterday to hear the remarks of the distinguished gentlewoman from New Jersey, the distinguished gentleman from Chicago [Mr. McKEOUGH], and the distinguished gentleman from Massachusetts, Judge HEALEY, who indicated to this House that if the Smith amendment were adopted, labor would lose at one full swoop all of the rights that it had taken 50 years to develop.

Mr. HEALEY rose.

Mr. KEEFE. I cannot yield. The RECORD speaks for itself.

Mr. HEALEY. But the gentleman has mentioned my name.

Mr. KEEFE. The RECORD speaks for itself. As the gentleman from Massachusetts [Mr. CASEY] has so very distinctly stated, there is not a thing in this Smith bill that takes away from labor the rights that it has taken 50 years to achieve. Anyone who has read the amendment must be convinced of the fact that the only thing the Smith amendment will do will be to simply suspend the provisions in existing laws insofar as they provide for maximum hours and increased compensation for overtime work. That is all this amendment does. I call attention to the fact that the Walsh-Healey Act applies to every Government contract involving an expenditure of over \$10,000. The gentleman from Massachusetts [Mr. HEALEY] participated in the drafting of that act. If it is production that we are looking for, if production is going to win this war, and if all of the factories and businesses of the Nation must be involved in war-time production, it follows as a matter, of course, that all business in this country will ultimately be subjected to the provisions of the Walsh-Healey Act. We must, therefore, consider this matter in the light of the provisions of that act, which is now on the statute books. It requires the writing into every Government contract of a provision inflexibly limiting the hours of labor to 40 hours

per week, and providing for an 8-hour day.

Mr. HEALEY rose.

Mr. KEEFE. I cannot yield.

Mr. HEALEY. I want to enlighten the gentleman.

Mr. KEEFE. I am thoroughly familiar with the law and nothing that the gentleman would say would enlighten me when I have the law right before me.

Mr. HEALEY. Read the law.

Mr. KEEFE. Mr. Chairman, may I be protected against these intrusions?

The Walsh-Healey Act in paragraph (c) of section 1 provides:

No person employed by the contractor or in the manufacturing or furnishing of materials, supplies, articles, or equipment used in the performance of the contract shall be permitted to work in excess of 8 hours in any 1 day, or in excess of 40 hours in any 1 week.

That is an inflexible provision that must be put in every contract where the amount involved is \$10,000 or over, and the only exception there is to it is found in section 6 of the law which gives to the Secretary of Labor under existing law the right, when the contracting agency and the contractor agree upon the necessity for it, to modify the terms of the law. I read from section 6:

Upon the joint recommendation of the contracting agency and the contractor, the Secretary of Labor may modify the terms of an existing contract respecting minimum rates of pay and maximum hours.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired. Mr. KEEFE. Mr. Chairman, I ask for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. SUMNERS of Texas. Mr. Chairman, I reserve the right to object.

Mr. KEEFE. I would like to finish this argument. I think it is very interesting to the Members of the House, and it has not been touched upon so far.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I reserve the right to object.

Mr. SUMNERS of Texas. Mr. Chairman, I am reserving the right to object, and the only reason I do so regretfully is because of the tremendous number of gentlemen who want to speak on this amendment, and if we allow extra time, I do not see how we can get through.

Mr. KEEFE. May I ask the gentleman from Texas to bear with me? This is a matter that has never been raised on the floor of this House by any Member who has spoken so far and I think the membership of the House is greatly interested in it, and I would like to be able to finish the statement. I want to state the reasons why I am opposed to this amendment and why I shall vote against it. I think they will be based upon sound legal grounds and not upon the basis of prejudice or hysteria.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, reserving the right to object, and I do not wish to, but as one who has been trying to get recognition for 2 days, and noting that not a Member from the State of Pennsylvania on this side of the House, where we have enormous industries, has had time, I would like to know whether the distinguished chairman of



the committee will attempt to shut off debate if the gentleman from Wisconsin is allowed an additional 5 minutes later?

Mr. SUMNERS of Texas. Now, let us see where we are getting. I think we are getting more enthusiastic about this all the time.

I ask unanimous consent that all debate on this section and all amendments thereto close in 1 hour.

Mr. HOFFMAN. Mr. Chairman, I object. I have been waiting here for 2 days.

Mr. SUMNERS of Texas. How long will it take the gentleman from Wisconsin to conclude his statement?

Mr. KEEFE. Five minutes. I will try to finish before that.

Mr. BRADLEY of Pennsylvania. May I ask the gentleman if he would then attempt to move to close debate?

Mr. SUMNERS of Texas. Well, the gentleman was not protected during the first 5 minutes. Go ahead and take your 5 minutes.

Mr. HEALEY. Reserving the right to object, Mr. Chairman, and I will not object, of course, but I want to be fair with the gentleman and I know he wants to be fair with me. I request that the gentleman read the whole of section 6, which will not require over a minute and a half if he is not interrupted. The gentleman reads very fast and I think he can read it in a minute and a half. I ask that as a condition. I ask that the gentleman do that. I will withdraw the condition, but I ask that he read the whole text rather than part of it.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, to ask a question: When the chairman of the committee was absent, the gentleman from Nebraska, who is in charge of this bill, when another Member asked for an additional 5 minutes, was asked whether or not those of us who have been waiting since yesterday noon to get an opportunity to speak would be given that opportunity. Now, if you go and cut us out in an hour or two there are a number of us who will not have a chance to speak at all. I do not think that is fair.

Mr. SUMNERS of Texas. The gentleman has not had an opportunity to speak on the bill?

Mr. HOFFMAN. No; and I have been on my feet almost all of the time.

Mr. RAYBURN. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order has been demanded. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE] that he be allowed to proceed for 5 additional minutes?

Mr. SUMNERS of Texas. There seems to be some juggling around here and everybody wants to speak. I do not object, but I will not object if anybody else objects.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 5 additional minutes.

Mr. KEEFE. Mr. Chairman, when I was cut off a few moments ago I was reading section 6 of the Walsh-Healey Act in order to demonstrate that under

existing law the power exists in the Government, represented by the Secretary of Labor, to deal with this specific problem in most of its aspects. Let me read the provision of section 6, specifically applicable:

Upon the joint recommendation of the contracting agency and the contractor the Secretary of Labor may modify the terms of an existing contract respecting minimum rates of pay and maximum hours of labor, as he may find necessary and proper in the public interest, or to prevent injustice or undue hardship. The Secretary of Labor may provide reasonable limitations and may make rules and regulations allowing reasonable variance, tolerance, and exemptions to and from any or all provisions of this act respecting minimum rates of pay and maximum hours of labor, or the extent of the application of this act to contractors as hereinafter described. When the Secretary of Labor shall permit an increase in the maximum hours of labor stipulated in a contract he shall set a rate of pay for any overtime, which rate shall not be less than one and one-half times the basic hourly rate received by the employees affected.

I want to call that to your attention for the reason that the law as presently written places in the hands of the Government the power to deal with this question of overtime. The only thing that is lacking is the authority to restrict overtime pay. So far as I am personally concerned, I want to say that until this Congress shall, by legislation, recapture from those corporations which, by their own financial statements and admissions before congressional committees, are making huge and tremendous profits out of this war effort, I am not going to begin to economize by taking time and a half away from their employees. That is my personal feeling in this matter.

What is the fundamental thing we are seeking to achieve? We are seeking to achieve production and to stop strikes that interfere with production. I ask the gentlemen who have made these arguments on the floor of the House where there is anything in this amendment that will stop strikes? There is not a thing in this amendment that does away with labor's right of collective bargaining or any of the other rights provided under the National Labor Relations Act. All labor working in mass defense industries, as the gentleman from Massachusetts pointed out, have their rights provided for as a result of collective-bargaining contracts. That is all there is to it. Pass this amendment and what happens? Nothing. The union goes to the management and says, "Here is what I want; 8 hours a day and time and a half for overtime, and double time for Sundays and holidays." Management either agrees to the proposal or a strike occurs. There is nothing in this amendment that in the remotest way curtails labor's right to strike. It in no way repeals or suspends any of the rights of collective bargaining. Thus the evil that the proponents of this bill complain of are not dealt with at all. This amendment would not hurt organized workers but it would open the door to long hours without overtime compensation to those industries in the South and in some of the sweat shops and lofts of the North, where the workers are

unorganized. The poorest paid group of workers in the country would be hurt. The workers in all of the great defense industries are unionized. They control their hours and wages through collective bargaining agreements without reference to the standards of the wage-hour law.

Mr. Chairman, careful study of this amendment convinces me that it is ill-advised.

Until the Congress is ready to deal effectively with this problem in an affirmative manner it seems to me we are doing nothing but muddying the waters in attempting to pass this amendment at this time. We are doing nothing that will clear up labor disputes and as a result we will not achieve increased production.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. CASEY of Massachusetts. The gentleman has very well stated the case. In addition to doing nothing to stimulate the flow of production, the passage of this Smith amendment will throw into the field of bargaining between employer and employee the question of time and a half. What a field of contention and strikes that will be.

Mr. KEEFE. Exactly. Now let me say this also to the Members of this body: We are going to have to deal with this problem. We are not going to just shift the responsibility. The public of the United States are demanding that we deal with this problem. Merely to offer this amendment and send out word to the public that the adoption of this amendment deals with the problem is to me demonstrating the impotence of Congress. We must deal with this problem effectively and encourage the patriotic workers to drive from their midst the racketeers and alien leaders who would slow up or destroy our productive effort.

Remember labor must do this job. Generally it is responding to the country's call. The rank and file of labor want to get rid of the racketeers in their midst. Let us help them do it. I am sure that with the support of the people and the Congress the rank and file of labor itself will carry on the fight to stop any effort that slows up production.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, we have taken a lot of time on this amendment. I would like to see if we cannot determine upon time for debate. I would like to know how many gentlemen wish to be heard.

The CHAIRMAN. If the gentleman will indulge the Chair, when the first effort was made to limit debate 16 Members sought recognition. The second time the effort was made 24 Members sought recognition. The third time the effort was made 32 desired to be recognized. The number has increased every time the effort has been made.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 1 hour and 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?



Mr. HOFFMAN. Mr. Chairman, I object.

Mr. SUMNERS of Texas. Mr. Chairman, I move that debate on this amendment and all amendments thereto close in 1½ hours.

The CHAIRMAN. The question is on the motion of the gentleman from Texas. The motion was agreed to.

The CHAIRMAN. The Chair requests that very careful attention be given to the reading of the list of names of those who were standing, and the Chair assumes they were seeking recognition. After the list has been read the Chair will inquire as to whether anybody seeking recognition has been omitted. The Chair has recorded the names of the following gentlemen: Messrs. WRIGHT, MARCANTONIO, HOFFMAN, COFFEE of Washington, VOORHIS of California, CASE of South Dakota, WHITTINGTON, DONDERO, REED of New York, JENSEN, WEISS, BRADLEY of Pennsylvania, WASIELEWSKI, DOWNS, FOGARTY, COFFEE of Nebraska, SACKS, ELIOT of Massachusetts, HARE, MCGRANERY, THOM, KERR, MASON, CRAWFORD, MURDOCK, JOHNSON of West Virginia, SUMNERS of Texas, BUTLER, ROBSON of Kentucky, and CLASON.

The Chair now inquires whether the name of any Member seeking recognition on this amendment and who was standing has been omitted.

Mr. GIBSON. Mr. Chairman, I desire to be heard on the amendment.

The CHAIRMAN. The gentleman's name will be added to the list.

Mr. WHITE. Mr. Chairman, I was on my feet seeking recognition.

The CHAIRMAN. The name of the gentleman from Idaho [Mr. WHITE] will be added.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I respectfully request that the Chair take my name from the list. The time to be allotted to each Member will not be sufficient for any data to be presented.

The CHAIRMAN. The gentleman's name will be taken off the list.

Does any other gentleman desire his name to be taken from the list? [After a pause.] The Chair hears no response.

Mr. SUMNERS of Texas. Mr. Chairman, the gentleman from Nebraska [Mr. McLAUGHLIN] is momentarily absent. I do not know whether he desires recognition on this amendment, but I would like a place reserved for him, if possible.

The CHAIRMAN. The name of the gentleman from Nebraska [Mr. McLAUGHLIN] will be added to the list.

Mr. HARE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARE. May I inquire of the Chair whether the Members will be recognized in the order in which the names have been listed?

The CHAIRMAN. As a matter of convenience, the Chair will announce that the Chair will recognize Members in that order.

Mr. CASEY of Massachusetts. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASEY of Massachusetts. Will those Members who spoke on this amendment yesterday be eligible to speak on it again today?

The CHAIRMAN. There has certainly been no limitation of that nature fixed by the Committee of the Whole.

Mr. CASE of South Dakota. Mr. Chairman, if a gentleman has already spoken on the pending amendment, he would not be entitled to recognition, would he?

The CHAIRMAN. The Chair did not understand the gentleman.

Mr. CASE of South Dakota. If the gentleman has spoken on the pending amendment, he would not be entitled to recognition in precedence over a Member who had not spoken, if objection is made?

The CHAIRMAN. The Chair has no way of knowing what a Member is going to say when he gets up. The Chair does not know whether he is going to make the same speech all over again or not.

Mr. MURDOCK. Mr. Chairman, did the vote taken a moment ago preclude substitutes for the pending amendment?

The CHAIRMAN. It does not preclude the offering of substitutes. It only fixed time on debate on the pending amendment and all amendments thereto.

Mr. MURDOCK. It does not preclude the offering of a substitute amendment?

The CHAIRMAN. The motion did not preclude that.

Mr. SMITH of Virginia. Mr. Chairman, I was on my feet when a notation was made of the Members who desired to speak.

The CHAIRMAN. The gentleman's name does not appear on the list. Does he desire to be recorded as seeking recognition on the pending amendment?

Mr. SMITH of Virginia. Yes.

The CHAIRMAN. There are 34 names on the list. This will mean 2½ minutes for each Member. The gentleman from Pennsylvania [Mr. WRIGHT] is recognized.

Mr. WRIGHT. Mr. Chairman, I have noticed recently that most of our labor legislation has obtained its principal support from the agricultural sections. Those gentlemen who wish to legislate on the problems of the workers in mills and factories in the main have no mills or factories in their districts. I wonder if a more intimate knowledge of industrial relations, of their history and background, and of their more recent trends, would not move some of the gentlemen from their present position. Such a knowledge cannot be obtained entirely from the press or even from testimony adduced before a legislative committee. It is almost necessary to live among these problems, to discuss them with the workers, with their chosen representatives, and with representatives of their employers. I think the gentlemen would find that these problems are not as simple of solution as they would like to think.

I come, as you know, from the very center of the heavy-steel industry. The mills and mines and factories of the Pittsburgh district are already operating at such a peak capacity that the Government has found it necessary to order the construction of vast new plants so that

war production may be again and again increased. Work stoppages by reason of labor disputes have been insignificant in our mills. This has been recognized by the Navy, which has awarded the outstanding performance of both management and workers by conferring upon several of our mills the Navy "E," and another such award will shortly be made to a shipbuilding concern in this area, the Dravo Corporation.

The workers are a hardy, self-respecting lot. They have won literally by hunger and bloodshed over a period of generations certain fundamental economic rights, without which to them political rights are an empty shell. Important among these are the right of collective bargaining and the right to a basic 8-hour day. These guaranties are the workers' only protection against a recurrence of the old industrial peonage from which they have emerged. To them these benefits are a fundamental part of that free America in which they live and for which they would gladly die. They are jealous of these rights and will resent any effort to destroy them. They are suspicious of the motives underlying the constant sniping to which these rights have been subjected. They feel that such efforts are prompted not so much by patriotism as by a reactionary antilabor philosophy which uses the war as a pretext to first temporarily and at last permanently turn back the calendar to the dark ages of American industry.

Certainly we are at war, certainly our first thought must be the winning of the war, certainly we must be prepared to sacrifice our privileges—even, if need be, our lives—to preserve our country.

All of us plan first the winning of the war. We differ in our choice of methods. One method is the conscription of labor by legislative and executive controls. That is Hitler's method. I hope to God we never have to resort to it. If our position becomes desperate we may have to tell our men and women where they shall work and for what hours and for what wages. The Government may have to conscript industry and operate the mills and factories without profit to the owner. But the workers will then under patriotic leadership voluntarily submit themselves to the orders of their Government, in the same manner as they have now voluntarily agreed that they will not strike regardless of provocation.

But we have not yet arrived at that last-ditch stand. Our plants are being operated by their owners under contracts made with the Government and I have never heard it suggested that they are operating at a loss.

Whether or not this amendment be passed our workers will not confine themselves to a day of 8 hours. What this amendment will do is to unfairly discriminate against them when their employers are left untouched. For Congress, without any hearings, with no show of necessity to pass this ill-considered amendment in the heat of debate, would, I am confident, profoundly disrupt both morale and production.

There is another method to win this war—the democratic method of volun-



tary cooperation. Let us not abandon democracy in our effort to preserve it. Let us not be deceived that depotism is more efficient than liberty. Admittedly it has taken us precious time to get under way. Admittedly the division of sentiment throughout the country has delayed our war effort but we are at last united and geared for production. This delay has not been all loss. We have gained something precious and of the spirit. We have finally as a people arrived at the firm and unalterable conviction that this war is not the President's war, not the Army's war, but the personal war of every American. We will each of us fight it according to our station and to our best ability to the final extinction of the army who would enslave us. Let us not destroy that spirit in the American people.

(Mr. WRIGHT asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, it is very significant that the pending amendment is offered and supported by those who opposed labor-protecting legislation in peacetimes. They sought to defeat such legislation then, and now use the war as a pretext to perpetuate the exploitation of labor.

The argument has been made that production is restricted to a 40-hour week. This argument is dishonest. You must know that there is nothing under existing law which prevents workers from working for more than 40 hours a week. All that is required is payment of time and a half, which helps insure a living wage, particularly at a time when the cost of living is going up to extraordinarily high levels. Hence, this legislation is advanced for only one purpose, and that is to destroy the protection we have given labor against exploitation and at the same time to increase the profits of those who are becoming enriched as a result of this war situation.

We are not fighting a mere war, we are engaged in an international civil war, we are fighting an anti-Fascist war, and in order to win this war we need the support of the masses, of the workers, of the people not only of the United States, but of Britain, India, China, Russia, and of various other parts of the world. If we adopt the Smith amendment we shall raise doubts in the minds of the people of the world as to the character of the war we are waging, because we will be adopting toward labor the same attitude that Fascist countries adopted toward labor. On the other hand, a defeat of this amendment will be an assurance to the masses of the people throughout the world that we are conducting a war against fascism, that it is an anti-Fascist struggle, and that we refuse to impose upon American labor the bondages of fascism which we are seeking to overthrow by force of arms and production. This amendment is not only antilabor, it is contrary to the best interest of the war effort, it establishes in America the doctrine of vicious Vichyism, a Fascist doctrine that led to the conquest of France. This is a peoples' war and the people

will not permit the exploitation of American labor.

[Here the gavel fell.]

(Mr. MARCANTONIO asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The gentleman from Michigan [Mr. HOFFMAN] is recognized for two and a half minutes.

(Mr. HOFFMAN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HOFFMAN. Mr. Chairman, without bitterness, unreasonableness, or personal animosity, come, let us reason together.

Whenever legislation of this kind is brought before the House it is met by a certain well-defined group with at least three arguments:

First. It is charged with being sponsored by antilabor, labor-baiting Members and interests.

Second. That the occasion on which it is offered and the manner of procedure is neither the proper time nor method, and that, while its objective may possibly be good, some other occasion, some other way, should be found.

Third. It is always contended that the result of the legislation will deprive the American worker of some fundamental right.

First. The charge yesterday so vehemently made that these amendments were introduced and sponsored by labor-baiting, antilabor Congressmen rests upon the false assumption that only self-appointed spokesmen who oppose legislation of this type are friends of labor.

There is no more truth in that charge than there would be in the charge which I might make that the gentlemen from Massachusetts, Mr. McCORMACK and Mr. HEALEY, the Member from New Jersey, Mrs. NORTON, the gentleman from New York, Mr. CELLER, are each and all the spokesmen for, the mouthpieces of, union gangsters and politicians.

That charge, neither directly nor indirectly, by innuendo or by insinuation, do I make. There is no foundation for such a charge. Nor is there any more reason for the charge which some Members make that I and others whose philosophy I follow are antilabor.

It is undoubtedly true that legislation of this type is abhorrent to labor politicians, to labor gangsters, and racketeers, to all those who use the name and the cause of labor as a false front behind which they carry on their own unfair, unlawful practices to further their own personal ends. So much for that.

Second. Now, having reached the common ground where we all accord to every Member of this body that sincerity and right thinking which we all must possess and exercise if we are to be true representatives of our people, let us turn to the argument that the procedure here today is unusual.

The procedure is not that heretofore customarily followed by the House of sending bills concerning certain topics to certain committees organized to consider them.

It is, however, the procedure frequently followed in the other body. Moreover, this bill is a most unusual bill. It is an

omnibus wartime bill, and, as the Chairman of the Committee of the Whole so appropriately stated yesterday, the title and the provisions which it is sought to add to the bill by these amendments are as germane to the title of the bill as are any of the titles and provisions originally contained in it.

In one fell swoop, this bill takes from many of our citizens constitutional guaranties of protection heretofore enjoyed by them. It will pass this House only because of the great danger in which we find ourselves and because we all realize that there should and must be a central control of our war activities; that, in wartime, the rights of the citizen must be submerged for the preservation of the Union.

One Member, announcing his intention of voting for the bill, evidently realizing what he was doing, the rights of his constituents which he was voting to surrender, evidently from the depths of his heart said:

I hope and I believe that an all-wise Creator will forgive me for supporting much of the legislation passing the Congress in recent weeks.

Third. The charge made by the Member from New Jersey [Mrs. NORTON] that the adoption of these amendments would enslave the worker; the charge made by others that the amendments were a direct challenge to the patriotism of the American worker, are utterly without foundation.

As has been pointed out, these amendments do not repeal any law. They merely suspend for the duration certain special privileges which have been granted to a group or class of our population.

These amendments, if adopted, would not prevent the payment of a wage and a half for overtime nor of double wages for Sunday and holiday work. Now do not forget that fact.

As the law stands today, no man can work overtime unless he is paid added compensation. If he works in defense of his country more than a certain number of hours, it is a criminal offense if he be not paid, even though he does not ask, at a wage and a half for the overtime.

As the law stands today, a patriotic American worker cannot, in his usual employment, give in the service of his country one single hour's time without rendering his employer guilty of a criminal offense.

These amendments do not take away the right of the employee and the employer to bargain collectively for the payment of wages and a half for overtime; of double wages for Sunday and holiday work. They merely make it permissible for the patriotic worker to put in more than the specified number of hours in defense of his country, in support of the fighting men, without being compelled to receive, or his employer to pay, a premium for that sort of patriotic service. The amendments will not abrogate one single collective-bargaining contract now in force.

The amendments will free the American worker from the limitation now placed upon his patriotic service. In my humble judgment, these amendments



would, if presented to labor organizations, receive the overwhelming support of the rank and file; the opposition of only the labor politicians, gangsters, and racketeers.

Any other conclusion, any other result, would be an indication that the organized American workingman asserts his patriotism with a reservation, a string attached to his declaration of loyalty; that he will work in defense of his country but a certain number of hours; and, if more than the prescribed number, only if he receives additional compensation.

With that conclusion, I cannot agree. My argument is that those who assert that the average American worker is now insisting in this time of danger to his country that he be paid a wage and a half or a double wage for necessary service are completely mistaken; that they unwittingly make the gravest and unfounded challenge to the patriotism—to the loyalty—of a large group of our citizens.

You cannot make me believe that the American worker—a loyal union member, who has a son in the Army, Navy, or Air Corps—will not work to supply that boy with the things he needs unless he is paid a premium for the extra hours. Gladly and willingly will that American workingman—yes; and his wife and the other members of his family—work throughout the day and far into the night in support of the absent one.

Something was said yesterday in the debate about the demand of the farmers for special treatment. Do not be too harsh on the farmers. They are no more greedy—no more selfish—than the rest of us.

For several years now the bureaucrats, emulating Satan of old, have taken our farmers up into the high places and have shown them the promised land of soil-conservation payments, of parity legislation, of special payments for this, that, and the other.

Some farmers, knowing full well that other individuals—other groups—have received special consideration from the Federal Government, being human, feeling the pinch of poverty, swayed perhaps by what they consider rank injustice, have not turned their backs completely upon the temptation offered by these Federal gratuities, and have been getting theirs while the getting was good.

Another group—organized labor—there being a surplus of devils in this country—has also been taken up to the mountaintops by certain labor politicians and organizers, and tempted with the promise of an ever-increasing wage, an ever-lessening workday, has momentarily yielded to the temptation, as Congressmen yielded not so long ago to the lure of a retirement fund.

Come hell and high water, fair weather or foul, each and all of us have our moments of weakness. Today, in our hour of danger, not for one moment do I believe that organized labor, as distinguished from some of its leaders, will condemn us for the adoption of these amendments.

Unless we take some measure to remedy the situation which now confronts us and which is intolerable, with which we

are all familiar, the rising tide of public indignation, which manifested its power more than a year ago when this House adopted, by a vote of 2 to 1, the Smith amendments to the Wagner Act, will overwhelm this Congress and sweep on to wipe out labor's gains of the last 50 years.

Just a few days ago this House, driven by the lash of public opinion, with complete loss of dignity, ran like a bunch of boys routed from a melon patch to the bomb shelter of repeal of the so-called Pensions for Congressmen Act.

Let us profit by the lesson we then learned and follow now the reasonable demand of our constituents—of the workmen of America themselves—that we free them from the shackles which hinder them in rendering full patriotic service to their country in this, her hour of danger.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. COFFEE].

Mr. COFFEE of Washington. Mr. Chairman, in my conception, the Smith amendment will eventuate in the same sorry spectacle as was the affliction of France if allowed to become law and unchanged, and if related bills to eviscerate labor are considered and adopted. France has often been cited as the horrible example which we should shun.

What happened in France? In January and February of 1939, 8 months before her participation in World War No. 2, France embarked upon a program remarkably similar to that foreshadowed by the Smith amendment, all component parts of the fabric of fascism. The new French leaders clamped down on organized labor; they extended the hours of work; they cut out overtime pay; they threw the liberals out of the French Chamber of Deputies; they established a dictatorship; they put Daladier in in March 1939. Six months later the World War began, and 10 months later France fell, a monument to the stupidity and the lack of foresight of her totalitarian ministers. Why? Because they destroyed the spirit and the enthusiasm of organized labor, which provided the temper and was interwoven into the fiber and the soul of France. They killed that soul by making labor think it was suspect, that in their minds their parliamentarians, purged of labor's spokesmen, did not believe the French worker to be patriotic.

Are we going to ignore the lesson France has taught us? Do we want to give to the worker of the United States the feeling that in the minds of the men in Congress labor is not patriotic?

Mr. Chairman, we have had letters cited on this floor purporting to come from boys who are in service in Bataan, in the Philippines. It has been made to appear that the men in the armed services of the United States came from some families, forsooth, who must have been living in an ivory tower, separate from the organized workers of the United States. Who supplies the men in the armed services of our Nation? Whence do these boys, these young men, come? They come from the families of workers, organized and unorganized, whether they

are in the factory, the foundry, or the farm; but we have had men get on this floor who have the temerity to fulminate and asseverate to their colleagues in this House that the men in the armed services of the United States must come from an entirely separate and distinct group.

Are we in the House of Representatives going to penalize labor? I hope to God we are not, because I believe in the future improved social-economic order of this, our beloved United States, in which labor will indispensably participate, and which will embrace as a necessary ingredient the four freedoms and ideals which we hold out to the distressed races of the world.

Why should we single out the forces of labor as suspect? Do we want the country to appear to point the finger of suspicion at those who toil? The effect of the Smith amendment is not to strangle the men and women identified with organized groups, but, rather, to require bank clerks, office accountants, and white-collar workers generally, who have no unions, particularly in certain areas, to fight the battle in their behalf. These workers have no signed contracts with their employers assuring them fair wages, overtime pay, and reasonable hours.

Labor has all along exhibited an inspiring desire to make sacrifices corresponding with all other segments of our population. But it naturally feels that a genuine price-control bill, with teeth in it, should be on the statute books, and that the profits of war industry should be drastically limited.

There is no provision in this bill for a recapture by the Federal Government of the funds saved by not paying overtime wages for work performed above and beyond the 8-hour day and on Sundays and holidays. There is no refund for extra added profits by reason of these economies. Why should we punish labor and contemporaneously augment the profits of war industries? Is this a scheme for circumventing the wage-and-hour bill? There is a law of diminishing returns. If men are worked for too long days and for too protracted periods, their efficiency is impaired and their unit-per-hour production is reduced.

Do we propose now to turn the clock back for 50 years? Shall we, at one stroke, abrogate labor's legislative gains following decades of bitter struggle? The sponsors and chief supporters of this amendment are the most persistent opponents of labor legislation in Congress. Is it not, therefore, ironical for them to seize upon our involvement in war as the pretext for adopting some of the schemes of fascism?

The President of the United States is our Commander in Chief. He vigorously opposes the Smith amendment. He is charged with responsibility for directing our war activities and is in a position to make the appropriate recommendations as to those measures best designed to facilitate and expedite war production.

In this war Great Britain and Canada have not seen fit yet to adopt such legislation as is here promulgated.

Yet, Great Britain has had the courage to impose a 100-percent tax upon



wartime profits of industries directly or indirectly engaged in war production. In the last war Woodrow Wilson inaugurated the 8-hour day and became the leading exponent of legislation and contracts providing for overtime pay and reduction of hours.

The zeal and enthusiasm of labor must be stimulated. One cannot legislate into the heart and the soul of the toiler, patriotism. It is indefinable and intangible. It is that quality which somehow partakes of the spiritual. It is either there or it is not there. The Soviet Union has it in abundance. France lacked it, following the crack down upon liberalism and upon the toiler. The Japs and the Nazis, though we may not like to admit it, have shown that fervor and esprit de corps which makes them willing to endure any hardship in battle. The United States has that spirit in abundance. But we are a nation confused. We are a people afflicted with frustrations, confusions, and prone to look for scapegoats upon whom to visit our anger.

This Nation is made up of the families of millions of toilers. The Army and the Navy are drawn from their ranks in a large part. We cannot pay for this war by greatly adding to the tax burden while limiting the wages and reducing them with respect to the men and women of brain and brawn who produce the articles of war. Judging from the debate on the Smith amendment one would assume that all the soldiers and sailors were spending their time cursing and cussing the skilled mechanic at home who provides the artillery, ammunition, tanks and planes with which the man in the armed services carries on the war against our common foe. Yet very often that soldier or sailor is the brother or son, or even the grandson, of the skilled worker at home.

Mr. Chairman, I trust this amendment authored by the learned legal scholar from the Old Dominion, HOWARD SMITH, will be decisively defeated.

(Mr. COFFEE of Washington asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, the cause for which America fights in this war is the cause of the common people of the world. When we forget that we have forgotten the most important thing about it all.

The Smith amendment must be defeated for one primary reason, and that primary reason is that without in any way extending the length of time that can or will be worked on defense materials and war production it will deprive the poorest workers, those least able to defend themselves and their standards in this whole Nation, of one of the protections the Congress gave them precisely because they are not organized, namely, the right to draw time and one-half pay when they work overtime.

If I knew of a single statute on the books of this country that imposed an absolute limitation on the number of hours a man could work, and thus prevented war production from being at the

very maximum, I would vote for its suspension. That is not the issue. These laws do not limit the hours that can be worked. They only say that if more than a certain number of hours are worked time and a half shall be paid. The issue has been described by other gentlemen who have pointed out that the issue is how much pay men shall receive, not how many hours they shall work.

It has also been pointed out, and very effectively, that if we really feel that our war effort is not going forward as rapidly as it should, we then must consider it fairly and from every standpoint.

I have received too many letters from men working in plants, and from other people as well, complaining that workers are told by their foremen and superintendents to "go slow" or "take it easy," for me to fail to see that in these cases it is management that is responsible for retarding production. We cannot overlook the fact that a lot of our contracts are cost-plus-fixed-fee contracts, and that the higher the cost on one contract the larger can be the fee on the next one. I do not believe such practices are general by any means, but they should not exist at all, and certainly they should be condemned as roundly and as universally as some of labor's faults about which so much is made.

Mr. Chairman, the amendment of the gentleman from Virginia is very wide of the mark. The mark is increased production, the removal of every obstacle to such increase. Hours of labor now are so far as I am able to determine, in most cases, just about as long as men can effectively work. There are other limitations. Complaint was made the other day about an airplane plant going on a 5-day week. It was not mentioned that the plant works 24 hours a day. Nor was it pointed out that the reason for the 5-day week was purely and simply the fact that certain materials necessary for the particular type of plane being made by this company had been assigned by the War Production Board to other companies so other types of planes could be produced in larger quantity. That is not labor's fault, nor management's fault, for that matter. Neither has it anything whatsoever to do with the Wages and Hours Act.

Again many Members have quoted the first part of an article in the Washington Post of Wednesday of this week wherein the headlines simply indicated that employees of Bethlehem Steel in California had refused to work 10 hours. Anyone who did not take the trouble to turn the page and read the whole article did not know that what these workers were asking was as a matter of fact, 24-hour operation of the shipyard instead of 20-hour operation. They wanted three 8-hour shifts instead of two 10-hour shifts. And anyone who has ever worked in industry will know that three 8-hour shifts can turn out work far in excess of two 10-hour shifts. In what way the passage of the Smith amendment taking away time and a half pay for overtime would help to solve this problem, I am utterly unable to see.

Moreover, there is this to be said. There are still men out of work—unem-

ployed—in this country. One thing that will help production is to get every single one of them into a job. Which may have been in the minds of the men who asked that instead of their being given 2 hours of overtime more men be hired and a third shift put on.

Now, no one as yet has put into this record the facts about the number of hours actually being worked today. I have taken the trouble to secure the latest available figures from the Bureau of Labor Statistics. Here they are. Not over 20 percent of all the workers in America are today working as little as a 40-hour week. And two-thirds of these who do not work more than 40 hours are in continuous-process industries—industries where the plant never stops operating at all and where in everyone's opinion the best organization of working hours is three 8-hour shifts.

The other 80 percent of the workers of the country, I am informed, are working in practically all cases at least 48 hours a week. Most of the workers even in continuous-operation plants are working 48 hours. Many are working as much as 60 hours. One of the largest plants in Detroit just recently went off a 70-hour shift onto a 56-hour shift. I spent the better part of 2 years of my life working on factory assembly lines and I know that more will be turned out by men working 56 hours than by men working 70 hours.

In machine tools average hours today are 53.8 per week; in other machinery, 46.3; in aircraft, 46.2; in aero-engines, 49.9—and so it goes. Furthermore, these are hours actually worked per man and all time out for accidents or sickness are excluded so that the actual number of hours worked per worker is substantially higher than the figures I have given. And yet in the face of these facts Members have repeatedly said that we must do something to get rid of the 40-hour week. By and large there just is not any such thing right now.

What then would be the effect of the Smith amendment? It would be twofold. First the wages now being paid would be cut—not in highly paid industries where collective bargaining prevails but in the low-paid industries where the only protection is the Wages and Hours Act. And this in the face of a rising cost of living. Is this the story we want to send round the world, as the Axis radio will certainly do? I think not. Second result will be that profits of corporations would be correspondingly increased, unless labor itself took steps to protect itself. Is that a situation that will promote production? I think not. Neither do I think it fair.

The truth of the matter is, though few people seem to realize it, that we are doing pretty well. In many lines our production is even ahead of the goals the President has set. And the millions of American workers are the only people on earth who have been or can continue to be the backbone, strength, and sinews of that production record.

But we are not doing as well as we ought to do. Nor will we be doing that well until every bit of selfishness is buried away and every bottleneck broken.



That is a big order. But not too big for America to fill.

It requires that several things happen. It requires that labor do certain things. It is true that not a single strike of any importance has taken place since the war began, but there have been some little ones. There ought not to have been any. I am not saying—nor can anyone say—they have been labor's fault in every case or even in a majority of cases, but they have happened. And I wish it were possible to have the men in positions of labor leadership in the locals where these strikes have taken place understand how deeply every single strike that takes place, however small and unimportant it may be, is today hurting the cause of labor. The newspapers will play up to the utmost every such occurrence, and in many cases all the facts will not be told. For the duration of the war the no-strike policy has got to be a complete no-strike policy, with no exceptions.

Moreover, there ought not to be any cases where a closed shop—closed union—practice exists. By that I mean there ought not to be any cases where a union that has a closed shop, either by the charging of high initiation fees or by any other means, excludes from employment any qualified worker at all. As I have said before in the House, the extent to which the closed shop is extended makes it the more certain that Congress will one day enact a labor code in this country which, without taking from labor any of its rights, will be protective of the rank and file.

Any union practices or rules that hamper in any way the full output of every man should be suspended for the duration of the war.

On the other hand there must not be a slow-down policy on the part of any company. I have had too many reports of situations where men eager to work at full tilt have been advised by their superintendents and bosses to slow down for me not to believe that there is substance to these reports. If strikes on the part of labor are wrong today, so, certainly, is this sort of thing. Indeed it is far less excusable. And so far as I can discover, the reason this sort of thing takes place is in order that costs may be increased and a larger fee justified for the companies.

And, furthermore, as the gentleman from Wisconsin has so well said, there are corporations which as a result of this war are making exorbitant and unjustified profits. Nor will our present tax laws effectively reduce them to justifiable earnings. As long as this situation exists, to pass a law, like the Smith amendment, which will merely cut down the earnings of labor would be an act so patently unjust as to make Members in the future ashamed to have done so.

No, Mr. Chairman, I am not attempting today to say that labor must not be asked to give up anything. Labor, like every other group in our society is giving its sons to the Army and to the Navy. Labor in America is the basic dependence of all the United Nations around the world. Without the men and women who today are laboring in the mills and shops and plants of this Nation, America and

all the nations with whom she fights would inevitably suffer defeat.

My final appeal is that Congress must so act that everyone in America will know we have been fair. If we are to abandon our present general policy of depending on the patriotism of labor and management to deliver the production we so desperately need then the remedy is clear. It is not to pass a bill that cuts the wages of poorly paid workers. Neither is it a bill that would unfairly penalize employers for labor's benefits. Mr. Chairman, when the House believes it must go to some other program it must go into it with its eyes open and in thoroughgoing fashion. That would be to say that only by cutting out all profit and chance for gain, and suspending at the same time the normal functioning of our labor laws can we achieve the production we need. Are we ready to say that? If we are, then we should put everyone and everything connected with the war-production industries into the service of the Nation. We should, for the period of the war, operate the plants not for private profit but for the national need. We should pay salaries to the executives and fair wages, determined by the War Labor Board, to the workers. And then, gentlemen, if we do all that, will be the time and the only time when Congress can suspend the operation of labor laws and forbid strikes, for then all these men will be working for the Government and there will be no profit but only a fair and just return to all.

There may be a real question as to which method we will have to use before we are through. Every strike, every dereliction on the part of management, every grasping for additional profit will be a blow at our present relatively free method of handling things. I hope these blows will not be struck. I hope we can win through with a minimum of governmental control. But win we must and whatever it takes to do it we must do.

The foundation stone upon which every act of Congress must be based is that it makes more fair and equitable and never less so the distribution of the burdens of this war and the sharing of all groups in America's great effort today and in the hope she can afford to every person in a happier tomorrow.

America's cause is the cause of all the common people of the world. Let us never forget that for a single moment. The Smith amendment should be defeated.

(Mr. VOORHIS of California asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, 10 minutes ago I was called to the telephone and had the privilege and pleasure of talking with an old friend of mine, a Democrat whom I know to be honest and upright, and who today is connected very closely with the laboring men of this country, union men, in defense industries. He said, "BEN, I want you to know that at least 90 percent of the union men are willing that this 40-hour week be taken off and canceled out. Mr. Chair-

man, I yield to no man in my support of the men and women who toil. They are patriotic. They resent the idea that Members on the floor of Congress and other people as well say that while everybody else is doing his part in this war effort, and while our boys are fighting and dying, labor is demanding time and a half for overtime and double time for Sundays and holidays." They want to work and work hard at regular pay. I do have a feeling that we would have been better off in this Nation if we had not entered into the program of appeasing the Japs. If we are going to start appeasing the very small minority of labor who are against doing everything and all they can in this all-out war effort, then we may find ourselves and our country in a very precarious position at the most critical time.

I know that next spring, next summer, next fall, next year, and maybe longer, you will see old men, old women, and young children by the thousands working almost night and day on the farms to produce more food and more fiber for this Nation and our Allies because their sons and hired men have left the plow in defense of their country.

Mr. Chairman, I feel this amendment should be adopted.

(Mr. JENSEN asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. WEISS].

Mr. WEISS. Mr. Chairman, I rise to answer some of the statements made by the distinguished gentlemen from Virginia and Mississippi. Yesterday, on page 1765 of the RECORD, the gentleman from Virginia [Mr. SMITH] said:

I think we have been handicapped enough—God knows—by strikes and stoppages of work for silly reasons.

On page 1768, the gentleman from Mississippi [Mr. WHITTINGTON] said:

Defense is lagging, tanks are not being produced, planes are not coming off of the assembly line.

Every Member of the House knows that these statements are not true. They, no doubt, have been inadvertently made, because every Member of the House knows that the shipbuilding facilities engaged in production in this country, including every shipyard in the country, is from 3 months to 19 months ahead of schedule.

Let me also say this. Coming from one of the largest steel industrial districts in the country, the city of Pittsburgh, every plant in this area since December 7 is producing far beyond anticipated expectation. One example is the Christy-Parks Works, of McKeesport, Pa., the same plant that led in the manufacture of shells during the last World War, is far ahead of its schedule, as evidenced by the production charts showing production during the months of December and January and up to the 16th of this month. I am reliably informed this morning that all plants are far beyond anticipated production throughout the entire steel area. The Pittsburgh Steel Foundry, of Glassport, Pa., which is producing anchors for the Navy, is way



ahead of its schedule of production. There is no stoppage, and there has been no stoppage in the production of any materials of war in our Pittsburgh steel industrial district or in any other industrial section, for that matter, because labor is doing its part and showing its true spirit, loyalty, and patriotism in aiding in the successful prosecution of this war.

These statements made by the gentleman from Virginia [Mr. SMITH] and those made by the gentleman from Mississippi, to which I have referred, are erroneous. For instance, take our plane production. We produced over 3,000 planes last month, which was all that we expected to produce; and the only reason we are not producing more is because the automobile manufacturers failed to heed the advice and warning given a year ago with regard to readjusting their assembly lines and for the further reason that the Aluminum Co. of America monopoly failed in warnings and orders given them over a year ago to produce aluminum and manganese so vital to plane production now. Even with that failure by industry and through no fault of labor, we will be producing the 60,000 planes which the President predicted we would be producing before the end of 1942. Let us not be hysterical and blame labor for every trouble in the country. We are away ahead of schedule on the entire industrial front.

Let us take up the matter of profits, because little has been said in the House during the present debate about that. Neither the gentleman from Virginia [Mr. SMITH] nor the gentleman from Mississippi [Mr. WHITTINGTON] made any effort to recapture the profits of industry. Let me say to this House that for the first half of this year General Motors showed a profit of \$126,000,000, which was 26 percent over the profits of the last half of last year; American Telephone & Telegraph showed profits of \$117,000,000; and Standard Oil showed profits of \$77,000,000. Will anyone question the right of labor to receive time and one-half for overtime in view of these tremendous profits of industry? A decent standard of living to the workingman is just as vital as a decent schedule of airplane production.

Let us play fair both with labor and capital. Let us not try to hamstring labor in this critical hour of a great war in which the liberties and freedoms that are our heritage are not only threatened but civilization itself. Let us strive for unity, so essential to the successful prosecution of this war. Let Government, industry, and labor work hand in hand, and we cannot fail.

As Kipling so well said:

It is not the individual or the army as a whole,  
But the everlasting teamwork of every blooming soul.

The sons of labor, too, are serving in the armed forces of America and more than willing to give their lives for you and me.

And I include herein a letter from Mr. Joseph O'Hara, a member of the United Mine Workers of America:

HON. SAMUEL A. WEISS,  
House of Representatives,  
Washington, D. C.

DEAR MR. WEISS: I am writing you in protest of the House of Representatives' action in passing the Smith bill to suppress what was free labor in a land of democracy, hoping and praying that the Senate will be more discreet in their action toward labor.

It was with the thoughts of preserving our democracy that Mrs. O'Hara and I consented to our two sons joining the armed forces 2 years ago and signed their papers accordingly. David being just 18 years 4 months old and Jim 17 years and 4 months old. Knowing as I do what happened in the last war, I wanted my two boys to be trained in the tactics of war and have the knowledge of the weapons used. I agreed with President Roosevelt for his wisdom in the creating of the draft for young men to the service of our dear land.

But whilst Mrs. O'Hara and I are willing to sacrifice the most precious jewels we possess—namely, our sons—in the defense of our democracy from without, we abhor the action from within by our own House of Representatives in suppressing free labor and turning this Republic into a Nazi state. We of the working class know that the action of the House gave comfort to the industrial barons and that they were licking their chops because they now feel their employees will become industrial slaves again, and that they will have a better chance to become war profiteers as in the last war.

My sons will be in the front line of attack for the defense of this Nation; that is where I want them to be. But if we are going to have some form of nazi-ism or any other "ism" except Americanism, I hope to God they die before taking the field. I also know that some of those industrialists with the one son, who are always looking in Washington for comfort from labor unions, will also be looking for deep dug-out jobs in the Army for that one son of theirs if inducted.

The United Mine Workers of America made a 3-year contract in the last war of \$5 minimum when coal was \$2.25 at the tippie. When the last war finished, the coal operators were getting from \$12 to \$18 a ton, but the mine worker was still getting the \$5 minimum.

If democracy is worth having, it's worth fighting for. That is why we of the United Mine Workers send our sons today to defend it just as 70,000 United Mine Workers of America sons were in the armed forces of the last war. If we are to be a democracy, let's have it, don't take it away from us.

In expressing my thoughts here, I feel I am also expressing the thoughts of those whose lot it is to toil for a living and who are the backbone of these United States, and the greatest of all Americans.

Very truly yours,

JOSEPH O'HARA.

To verify my position of production exceeding expectation, I herewith include a newspaper item by Mark Sullivan, clearly proving labor is on the job in producing implements of war:

TWO CHEERING DEVELOPMENTS SEEN IN WAR—  
MATERIAL IS ROLLING BETTER THAN QUOTA—  
FEW TIE-UPS NOW

(By Mark Sullivan)

WASHINGTON, February 24.—There are two definite, cheering developments. One is, the stuff is rolling out of the factories. The President, in his speech last Monday night, really understated it. Every important war material, including ships, is coming out of the mills and yards at a pace greater than was anticipated, hence more than enough to meet the immense program for this year and next, which Mr. Roosevelt laid before the opening session of Congress last month. If

there is a possible exception, it is the bigger planes. These lag behind tanks and some other forms of war material. But planes lag behind the others only because the others are so far ahead of program. As to planes and everything else, the pace today is faster than enough to meet the program.

That program, when the President laid it down on January 6, was called by some fantastic. Today it is in sight of fulfillment. If the program is not met, it will be because of unforeseen conditions arising in the future. The fulfillment that is in sight, if not interrupted, actually will turn out to be more than fulfillment. For once a process of this kind gets headway, it gathers momentum which carries it beyond early expectations.

How did this come about? One reason is, the American system of factory mass production was at last given a chance. To achieve factory mass production, certain conditions are necessary. One is agreement upon a model—and agreement not to change the model. This condition now exists generally.

For more than 2 years, before the defense program got into the factories, while it was still in the hands of Washington, Washington kept changing the models. To this, no blame attaches. The technical men at Washington, watching the war abroad, saw defects arise in existing planes and other war materials. They saw improvements made by practically all the countries in the war. That our technical men should take advantage of these improvements was necessary. That they should try to devise even greater improvements of their own was desirable. It was not merely a matter of more planes, it also was a matter of better planes. But all this led to constant changes in design. It distracted the factory managers. Orders were given in comparatively small lots, and even when planes were going through the factories, changes were made in blueprints. Mass production was impossible.

There are other reasons. Preceding Pearl Harbor there were countless strikes; since Pearl Harbor there have been few. Also, throughout the early period some labor leaders wished to bring about a fundamental change, wished to get for themselves a voice equal to that of management in the conduct of industry. The economic, social, and ultimate political aspects of that need not be discussed now. Even if a new way of conducting industry were known to be better than the old, making the change would, at the very least, cause delay. Mere agitation for it caused delay. Apparently the agitation is now abandoned. Whatever the defects of the old way, it works—and now it is given a chance to work.

To feel cheer over the production of war materials may lead to unfortunate complacency. War materials pouring out of the factories is one thing, war materials on the battle front is another. Between the two are many hurdles. There is a monstrous hurdle of distance. To carry war material from an American port to practically any of its destinations is a 2-month trip for a cargo vessel, 4 months for the round trip, as President Roosevelt pointed out Monday night. There is the further problem of judgment in determining which shall be the destination for a given tank, or gun, or plane—whether to Australia, or to China, or to Russia, or to North Africa, or elsewhere. There are immense and intricate problems of coordination. For these problems we can hope we have the talent or can find it. That the materials are being made is the first step, it is going satisfactorily, and that is cheering.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BRADLEY].

(Mr. BRADLEY of Pennsylvania asked and was given permission to revise and



extend his own remarks in the RECORD.)

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I have prepared an analysis, assisted by competent authorities, of every one of the 17 measures affected by the so-called Smith bill, and I challenge the gentleman from Virginia [Mr. SMITH] to show in any of these acts anything which prohibits a workweek of over 40 hours. No one knows the provisions of these acts better than the gentleman from Virginia, and he knows that more than 40 hours is not prohibited.

Mr. Chairman, I hope the Members will vote on this question with their eyes open and not on the misinformation which has been given in this House.

I hope you realize that when you vote for this bill you are not increasing production. What you are doing is increasing the profits of the manufacturers on contracts, which have already been entered into on the basis of time and a half for a week in excess of the 40-hour week. So the gentleman from Virginia, when he neglected to bring in companion legislation covering also the profits of these corporations, which would be increased as the result of his proposal, certainly, in my opinion, failed in his responsibility to the House.

Now, I am not going to impugn his motives, but I have been here for 5 years and my recollection is that during that time the gentleman from Virginia has opposed every piece of legislation that would be beneficial to labor. My further recollection is that every time a national defense bill has been offered in this House the gentleman from Virginia has attempted to use it as a vehicle to enact legislation which would be unfavorable to labor.

I am wondering, in all charity toward him, because I shall not question his motives, whether or not in his zeal and in his enthusiasm, he perhaps is not influenced in the present instance because of his animosity toward those things which have meant so much to labor and which he has always opposed.

I think we have, as the previous speaker said, to keep our eyes on the ball and not, under the pretense of correcting a condition which needs no correction, legislate here to increase profits and create a situation which would only cause disunity and perhaps dislocate present industrial schedules. It seems to me that the real purposes of the amendment are concealed and are other than the ones emphasized by the gentleman from Virginia [Mr. SMITH].

The following is a résumé of the acts affected by the Smith amendment to the Second War Powers Act. A careful reading of this analysis will prove the accuracy of the contention I have made—that there is no prohibition against the working of hours in excess of 40 in 1 week by any of these measures.

1. Act of July 2, 1940 (Public, No. 703, 76th Cong.), Army speed-up bill prescribing 40-hour week and 8-hour day for laborers and mechanics employed directly by the War Department engaged in the manufacture or production of military equipment, munitions, or supplies. Overtime may be worked upon payment of time and one-half.

2. Act of October 21, 1940 (Public, No. 873, 76th Cong.), prescribes 40-hour week with time and one-half for overtime for specified

field employees of the War Department and of the Panama Canal.

3. Act of June 3, 1941 (Public, No. 100, 77th Cong.), provides time and one-half for over 40-hour week for per annum employees of War Department, Panama Canal, Navy Department, and Coast Guard, and provides additional compensation for employees of War Department and Canal Zone foregoing vacations.

4. Act of March 3, 1931 (5 U. S. C. 26 (a)), provides Saturday half holiday for civil employees of Federal Government and District of Columbia, exclusive of employees of certain departments, and contains provision for compensating time off. Executive orders have suspended this act as to certain civil employees of the military departments (see Executive Orders Nos. 8816, 8860, 8876).

5. Act of June 30, 1936 (41 U. S. C. 35-40, Walsh-Healey Act), providing 8-hour day and 40-hour week stipulations in Government supply contracts of over \$10,000 worked in excess of 8 hours a day and 40 hours a week permitted at time and one-half. Upon finding and need by contracting department, all overtime requirements may be suspended by the Secretary of Labor.

6. Act of October 10, 1940 (Public, No. 831, 76th Cong.), prescribes 8-hour day and 40-hour week on Maritime Commission contracts, overtime permitted at time and one-half.

7. Act of June 28, 1940 (Public, No. 671, 76th Cong.), Navy speed-up act providing 8-hour day and 40-hour week for certain specified employees of Navy Department and Coast Guard with time and one-half for overtime; suspends during the emergency the provisions of law prohibiting more than 8 hours of labor in any one day on Army, Navy, and Coast Guard contracts. (NOTE.—See No. 15, below.)

8. Communications Act of 1934, as amended by the act of March 23, 1941 (47 U. S. C. 154 (f) (2)), provides for additional compensation for Federal Communications Commission inspectors for night work and holidays.

9. Act of March 2, 1917 (48 U. S. C. 737), Organic Act of Puerto Rico, providing an 8-hour day for laborers and mechanics on public work by or on behalf of Puerto Rican government. No. 15, described below, permits overtime after 8 hours upon payment of time and one-half for contract work with Puerto Rican government.

10. Act of May 2, 1941 (Public, No. 46, 77th Cong.), extends No. 6, above, to emergency contracts for Maritime Commission.

11. Act of July 21, 1932 (15 U. S. C. 605 (b)), empowering the Reconstruction Finance Corporation to require a 30-hour week so far as practicable on liquidating projects (merely hortatory).

12. Act of June 25, 1938 (29 U. S. C. 207-208), wage-and-hour law requiring time and one-half after 40 hours a week for employees in or producing for interstate commerce.

13. Act of June 19, 1912 (40 U. S. C. 324-325), prescribing an 8-hour day for laborers and mechanics on public works. No. 15, below, suspends prohibition if time and one-half is paid.

14. Act of August 1, 1892 (40 U. S. C. 321-323), prohibiting work in excess of 8 hours a day on public works by Government or its contractors. So far as Army, Navy, Coast Guard, and Maritime Commission contracts are concerned, this law was suspended by No. 6 and No. 7, above. As to direct employees of the Government, the law has been suspended with respect to Army, Navy, Panama Canal, and Coast Guard Executive Orders, Nos. 8623, 8797, 8837, 8848, and 8859, leaving unaffected only normal activities of peacetime agencies. As to these, the President has full authority to make suspensions by Executive order.

15. Act of September 9, 1940 (40 U. S. C. 325 (a)), amends No. 13, above, to permit overtime after 8 hours a day at time and a half on public works contracts with the

United States. (By act of March 4, 1917, 40 U. S. C. 326, President had corresponding power to permit overtime at time and a half.)

16. Act of March 3, 1931, original Davis-Bacon Prevailing Wage Act, which was revised and amended by act of August 30, 1935 (40 U. S. C. 276 (a)), providing for a predetermination of minimum wages for laborers and mechanics on Government construction contracts over \$2,000. (This act contains no maximum-hour restrictions to be suspended.)

17. Act of March 4, 1917 (40 U. S. C. 326), empowers the President to permit work over 8 hours, notwithstanding No. 13, above, if time and a half is paid. This statute is made obsolete by No. 15, above.

Mr. WASIELEWSKI. Mr. Chairman, we are engaged in a war, the result of which will affect the future of each and every one of us. It will affect the future of industry, agriculture, and labor alike. It calls for an all-out effort on the part of all Americans. This is no time for us to be group conscious. Above everything we must remember we have a job to perform in the preservation of our American way of life by winning this war. If we lose this war, the rights and privileges of industry, labor, agriculture, or any other group will mean nothing.

Several years back before the clouds of war began to take definite form, we had adopted legislation in this country that would take the profit out of war, hoping thereby that we would avoid war. We have found, however, that whether or not we were to engage in war depended not alone on our own choice. Now that we are at war, no person nor group should be allowed to make a profit from it. Yet on every side we find that our Government is paying more for certain products, for certain labor, and for certain agricultural commodities than does a private buyer. If we are to bring this war to a successful conclusion this condition cannot continue. We cannot expect to build morale in our armed forces where men are asked to give service to their country at \$21 and \$30 a month while men at home, who are no better than they, and no better trained than they, are permitted to earn many times that sum in 1 week. We are all in this war and we should shoulder the responsibility and burden of it equally.

The 40-hour week was adopted in order that the work available might be spread among more men. The employer was in a sense penalized to the extent of paying time and a half, or double time, for using his employees beyond said hours. In our war effort today we need 18 men in industry and agriculture to support 1 man in the front lines. There is a threatened shortage of skilled mechanics and labor. To meet this situation it is as fair to expect our workers in the plants to suspend the rights and privileges of the 40-hour week, just as we expect our men in the armed forces not to be bound by any such laws and provisions.

I feel constrained to vote against the amendment proposed by the distinguished gentleman from Virginia because his bill does not go far enough. His measure, if adopted, would limit the profits from war only to the working man and laborer. It makes no attempt to limit or control the profits of industry and agriculture. I wish, if I may, make



a suggestion to the gentleman from Virginia that he bring before the House legislation that will take profit out of the war for industry, agriculture, labor, and all other groups alike, and I will support it.

I am sure that in such action we will have the support of our Nation, and that such action on the part of Congress will bring about unity, promote morale, and an early victory. It is our solemn duty to limit all war profits now and not wait until the war is over.

Mr. POWERS. Mr. Chairman, I merely rise to read to the Committee a section of Public Law No. 2—chapter 2, Seventy-seventh Congress, first session—H. R. 1776, the first Lease-Lend Act. Section 3-A of that act reads as follows:

Notwithstanding the provisions of any other law, the President may from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government:

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure to the extent to which sums are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

I am not a lawyer, but I have shown this section to many good lawyers in the House. They are of the opinion that the President now has the power which the gentleman from Virginia [Mr. SMITH] wishes to give him in his amendment.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. POWERS. Yes.

Mr. DONDERO. I have listened to the reading of that clause, and if any language is explicit, that is that the President now has the authority sought to be given to him by the Smith amendment.

Mr. POWERS. The President, in the opinion of many good lawyers in the House, already has that power.

Mr. WHITTINGTON. Does not that power expire in practically all of those acts on the 30th of June 1942?

Mr. POWERS. I am not speaking about the expiration of the law, but I am stating that the President has the power now.

Mr. WHITTINGTON. And that is the reason it should be reenacted, because the power does expire at that time.

Mr. POWERS. Then you admit he has the power?

Mr. DOWNS. Mr. Chairman, I did not intend to take the floor to discuss the Smith amendment, but I feel, in all fairness to the thousands of laboring people in my district, that I must raise my voice in their defense.

It is proposed, with a single stroke, to wipe out the entire progressive advancement of labor and return to the days of 1892. Some of the largest defense plants in this entire country are located in the district which I have the privilege of representing in this House. We have had no labor troubles of any consequence in this district. These people have toiled long and willingly to turn out planes,

boats, guns, and ammunition, and other defense materials to carry on this war. I cannot stand by and see them unjustly penalized without raising my voice in protest.

I do not claim that every act of labor in this country has been right, but I have stated in the well of this House several times, that we should not penalize the rank and file for the acts of a few renegade leaders.

I have heard other Members in this debate point to the fact that the boys in our armed forces, today, are receiving a low salary of \$21 per month while defense workers are being paid high salaries. That is true. It was true in the last war, but may I point out that a large majority of the boys in our fighting forces are the sons of men and women in the laboring group. Many of them have gone from the ranks of labor into the service themselves. I know of one defense worker, toiling long hours, who has six sons in the service of his country; I know of another with four sons in the service, and still another with three. Certainly the patriotism of these men cannot be questioned.

Under the present law there is no limit on the number of hours a man can work. If this amendment is adopted, I am afraid it will only serve to increase profits and lower production. These are days when this Nation is crying for unity, and certainly a slap at the defense workers of this Nation now is not going to bring about a greater degree of unity. In my opinion, it is going to create disunity.

It is time that the people and the legislators stop sniping at the administration, the army, the Navy, and labor, and turn to the task of winning this war. If we do not bring this war to a successful conclusion, it will not make a great deal of difference what happens to any of us.

It is my hope that the Members of this House will use sane and sound judgment and not throw this country into turmoil by adopting this amendment today. I urge that it be voted down in the interest of our country—the greatest Nation on the face of this earth.

The CHAIRMAN. The time of the gentleman from Connecticut has expired. (By unanimous consent, Mr. DOWNS was granted leave to extend his remarks in the RECORD.)

Mr. FOGARTY. Mr. Chairman, I speak to you today not only as Member of Congress but as one of those whom this bill is aimed at, namely, a labor man or labor leader. In the State of Rhode Island we have, I believe, by far the outstanding labor leaders in the Nation. We have our share of defense work and we have had no trouble with strikes on defense work. The gentleman from Georgia yesterday referring to this bill included all labor leaders as racketeers. Mr. Chairman, the gentleman from Georgia by that remark also referred to me because I am still considered a labor leader in Rhode Island. I hold office in my local union in Providence as president emeritus of the Bricklayers, Masons and Plasterers Subordinate Union of Providence, R. I. I am still interested in them, their problems are mine and as long as I am a Member of Congress

I will do everything within my power to defend them against such unwarranted attacks as we are listening to today, and I want to inform the gentleman from Georgia that I am just as patriotic as he is and that he is no more patriotic than all the labor leaders in Rhode Island or any person in the State of Rhode Island who earns his bread by the sweat of his brow, regardless of whether he or she is a member of a union or not.

The gentleman from Georgia said yesterday let us be real, let us be men, let us be Americans rather than the representatives of some organized group. I say to the gentleman from Georgia if he wants to be real, wants to be a real American, would he vote for the repeal of the antilynching law, would he vote to repeal the poll-tax law which keeps the poor whites and the colored from voting in the district he represents, will he or the rest of you who are supporting this amendment and who represent an agricultural district speak and vote against the agricultural bill which has just passed the Senate which will cost the consumers at least \$1,000,000,000?

The supporters of this amendment proclaim that this is just a suspension of the laws for the duration; well, I fail to agree. I maintain that this is just the beginning of a drive that is being carried out all over the country conceived and sponsored by the manufacturers, the industrialists, the press, and those of you in and out of Congress who hate and fear labor, the ultimate purpose to shackle labor, to take away from them everything they have gained during the past 50 years, to drive them back to the sweatshop days, back to the cut-throat conditions, back to the days of starvation wages and unlimited hours; yes, back to the days of slavery. When the gentleman from Virginia or the gentleman from Georgia or the gentlemen from Mississippi get up on the floor of this House and claim that in the interest of national unity they are sponsoring or supporting a bill that has to do with labor, I question their sincerity. I have been here for only 14 months but it took me only 2 months to find out those who were attempting to do whatever they could to take away from labor in this country everything that it has gained and day in and day out attempt to scuttle the labor laws that have been so justly earned.

Mr. Chairman, the very men who are seeking to have this amendment adopted under the guise of national unity opposed this very same labor legislation when it was being enacted.

If they are sincere, why do they not come down to the well of the House and tell the truth; why do not they give all sides of the story? Why do not they play the game on the level, be square and be fair. Why does not the sponsor of this amendment explain to the House both sides of the story that he told yesterday in regards to the walk-out at the Bethlehem Steel Corporation in Los Angeles which is that when the Bethlehem ordered two 10-hour shifts instead of three 8-hour schedules they defied the Navy Department, the Maritime Commission, and the War Production Board.



The company took the position that it was ahead of schedule on ship construction and that it should not be bothered by the Government. They also claimed that a night shift is not efficient; but all other shipbuilders have found out otherwise. The union at the plant tried by negotiation to have the company rescind its new policy but to no avail. This story was also carried by the press of the country in such a way as to discredit the union and their leaders, which is nothing new for the press to do. The newspapers do not seem to be interested in constructive labor news; on the contrary, everything they can dig up that will be detrimental to organized labor is what they delight in giving the front page. On several occasions yesterday during debate I listened to Members quoting from the headlines of various newspapers misleading stories in regard to the labor situation of today. Mr. Chairman, those of us who know labor pay no attention to these stories; we know that the allegedly free press owe their loyalty to the moneybags who control their publications; we know they speak the policy of big business; we know they hate and fear labor; we know they seize upon every opportunity to smear labor; and those in this House who hate and fear labor take a great deal of pleasure in reading into the Record these biased distorted, viciously ridiculous, misguided, and silly stories in regard to organized labor.

Why do they not go back to the days when this program was started, when the manufacturers held up this defense program for 6 months in order to get the terms that they wanted from the Government? Did they get them? They did get them. They claim on the floor of this House that this is not an antilabor bill. Do any of those gentlemen think I am silly enough or dumb enough to know that it is not an antilabor bill? Do you think I am silly enough or dumb enough to think it is for the benefit of labor? These men who are working in the defense plants today are not only producing the arms and ammunition for our boys, but they are also producing in another way. They are not practicing birth control like the idle rich, the 400, the leaders of society. It is the working men and women of this country who raise the families and have to support them. They are the ones who are fighting our wars today.

Mr. Chairman, I hope this amendment is defeated in order that this country may be the country in the future that you and I and our brothers and sisters, our sons and daughters were privileged to have lived in during our lifetime. Let us go forward as real Americans and defeat this amendment so that we will not create disturbance, disorder, discord, dissatisfaction, but create unity and get the planes off the paper and into the air.

[Here the gavel fell.]

(By unanimous consent, Mr. FOGARTY was granted permission to revise and extend his own remarks.)

The CHAIRMAN. The gentleman from Pennsylvania [Mr. SACKS] is recognized.

Mr. SACKS. Mr. Chairman, the attempt on the part of those who would suspend all labor laws is one that they say is in the interest of unity. Somebody on this floor the other day said, "You cannot legislate unity; you cannot legislate patriotism." I know and you know that this attempt is not one for the benefit of increased war production, because if it was, if this was a question of production, they would also include in this bill a limitation on the profits.

I do not know who it was, but somebody said that profits by some are a sign of their patriotism. A committee in the other Chamber found that the profits were excessive in many instances in the preparation of our war effort. There is nothing in the amendment presented by the gentleman from Virginia that would prevent the employers from taking the profits that they would make by forcing labor to work overtime without paying time and a half.

Let me show the difference in patriotism between the laborer and the employer in my district. The iron workers and steel workers in my district worked 1 day and gave all their pay to the Navy relief, which amounted to \$50,000. It was presented last Sunday to the Navy relief. Did the employers take the profits of that day and give it to the Navy relief? No.

Let us not question the motives of those who toil and are vitally interested in this war. They do not want the ideology of nazi-ism to triumph. They are fighting this war to protect democracy. We ought not impugn their patriotism. American labor is patriotic. Their sons are in the Armies and Navies of this great Nation. They are ready to give their all. Must we by legislation brand them as selfish and unpatriotic? To pass this would be doing such. I am opposed to the Smith amendments. All our experts tell us our production is ahead of schedule. This properly establishes labor as doing its share. Let us not by legislation again revert to the era of exploitation and economic slavery. Let us not be economically patriotic and use it as a cloak to destroy progressive, liberal legislation. This war must not be a vehicle where selfish interests again dominate American legislative halls. Defeat 1942's blitzkrieg on American labor by the old, selfish interests of enslaved labor control.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, we have been discussing the Smith amendment for several hours. There seemed to be much discussion with regard to the patriotism and motives of labor, particularly as it applies to organized labor. That sort of an argument is superficial. Of course, I have many organized workers in my district, both A. F. of L. and C. I. O. However, there is something that this House has overlooked in this debate. I refer particularly to those present who do not have the problem of organized workers. Do you realize that the organized worker, in most instances, is fully protected on the overtime and time-and-one-half feature by contract, which is valid

and enforceable and which will hold regardless of what action we might take? What I am interested in and what I am calling to your attention very forcefully, for it applies to the unorganized workers of 80 percent of the Members in their districts, is that this is going to affect more directly and vitally the interests of the unorganized worker, the worker in the big chain mercantile store, in the small town, and to thousands of others deep in the hinterland and far removed from the industrial districts. These are the people who will pay the price if you take away this minimum protection afforded by law. They will return to a 60- to 72-hour week at a 50 percent cut in their wages.

I want to call this to your attention—those of you who do not have the organized workers in your district. You are voting away their best interests—wiping out their hard-won gains. The workers in our districts will be able to take care of themselves as long as they are organized and as long as their contracts are in effect and hold. But in your cities and small towns—deep in the interior, where you do not have the protection of the C. I. O. and the A. F. of L. for your workers—that is where this Smith amendment is going to put a crimp in your workers. That is where you will feel the sting when the time comes.

I want you take this into account when you vote on the amendment because you are overlooking something. If you think you are going to apply this to the big industrial areas and to their disadvantage, you are mistaken. It is going to hurt most in your own districts.

[Here the gavel fell.]

(By unanimous consent, Mr. DINGELL was granted permission to revise and extend his own remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. ELIOT].

Mr. ELIOT of Massachusetts. Mr. Chairman, I rise merely to state two facts and then to ask two questions. The two facts are included in correspondence which has been handed to me, between the Commissioner of Labor Statistics and our majority leader, the gentleman from Massachusetts [Mr. McCORMACK]. The first of those facts is that at the present time in defense industries most firms are working many more than 40 hours a week. In the airplane industry, for instance, under most of the big contracts we find the workmen working 52 hours a week. This merely brings out the fact that there is no Federal law today limiting the number of hours to be worked.

The second point in that correspondence is that there are in outstanding contracts about \$8,000,000,000 for wage payments. If this amendment is adopted, a good deal of this money, hundreds of millions of dollars of it which has already been contracted to be paid to the employer, will simply not be paid to the employee. It will simply be a windfall for the employer at the expense of both the Government and his employees.

The two questions are these: The sixteenth law mentioned in the amendment offered by the gentleman from Virginia



is the Bacon-Davis law pertaining to wages on Government construction contracts. It does not refer to hours in any way. I am wondering why a virtual minimum wage law is included in this amendment.

The second question is: Why in a sweeping amendment of this sort taking away protection from millions of workers some groups are excluded? I wish personally they had all been excluded, but they are not; and I hope we shall learn today why the employees of the railroads were excluded from this amendment. I hope very much the gentleman from Virginia in his own time in a little while will answer these two questions. I hope that then this House will vote down his amendment.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from South Carolina [Mr. HARE] is recognized.

[Mr. HARE addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. HARE asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Pennsylvania [Mr. McGRANERY] is recognized.

Mr. McGRANERY. Mr. Chairman, I ask unanimous consent that for the information of the Committee the Clerk read an amendment, which I have pending at the desk.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment to be offered by Mr. McGRANERY to the Smith amendment: Page 2, line 11, after "or during the night", insert "Provided, That the value in dollars and cents which will accrue to the employer as a result of the adoption of this act in connection with the subject of overtime shall revert to the United States Treasury and the same shall be collected by the Commissioner of Internal Revenue."

Mr. SMITH of Virginia. Mr. Chairman, I reserve a point of order against the amendment.

Mr. McGRANERY. Mr. Chairman, I quite agree with my good friend the distinguished gentleman from South Carolina, that we should really get down to winning the war. This is no time to create disunity. We need unity here and now; and if my good friend the gentleman from Virginia had thought well of the amendment he proposes here, he would have included in it language which would not let benefits accrue to the employer to the detriment and at the expense of the employee. If we are to win this war, we must win it with the working men and women of America; we must win it with their loyalty and devotion to their country in the prosecution of their jobs. They are not going to do it if by reason of the suspension of laws passed for their benefit you take advantages away from them and let the employer retain profits from the sweat of their overtime. The employer is undoubtedly unjustly enriched if the Smith amendment were to pass. Today in almost every

instance employer and employee are getting along very well together; the passage of this so-called Smith amendment will in my opinion destroy this relationship. If they are sincere about their amendment, I ask the gentleman from Virginia now if he will not accept my amendment.

The working men and women of America are loyal Americans and if this amendment is passed and they know that their money is going back into the Treasury of the United States they will have no objection to it, but if it is only going to fatten the profits of an employer, then, of course, the working men and women of America will feel that we here have discriminated against them to the benefit of the employer and they will not have the enthusiasm in their jobs they now have. I sincerely hope that the Smith amendment is defeated, but if it is to pass, I trust you will adopt my amendment, which provides for the recapture of profits that would otherwise go into the pockets of the employer; the funds recaptured would then be paid into the United States Treasury.

[Here the gavel fell.]

(Mr. McGRANERY asked and was given permission to revise and extend his own remarks in the Record.)

The CHAIRMAN. The gentleman from Ohio [Mr. Thom] is recognized.

Mr. THOM. Mr. Chairman, I rise to make a very pertinent inquiry. I should like to know from the author of this amendment why the civil employees of the government of Puerto Rico were included in it? If he can give us any light on that subject I should like to have it.

Mr. SMITH of Virginia. Puerto Rico is a possession of the United States.

Mr. THOM. Is there any particular defense work upon which these civil employees are employed at the present time which would necessitate the lifting of the 8-hour law?

Mr. SMITH of Virginia. I have not been there, but I imagine so.

Mr. THOM. But the gentleman has no advices from the government of Puerto Rico?

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. THOM. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. The gentleman from Virginia says he has not been there but he imagines so. I hope this whole amendment is not based on imagination.

Mr. THOM. Mr. Chairman, I have gone to the statute books and I find that the organic law of Puerto Rico adopted in 1917 contains the following provision:

That 8 hours shall constitute a day's work in all cases of employment of laborers and mechanics by and on behalf of the Government of the island on public works except in cases of emergency.

It seems to me that the suspension of the above provision is wholly unnecessary for if there is any work that needs to be undertaken because of this war emergency someone in Puerto Rico who knows more about it than we do has the right under this statute to lift the 8-hour provision affecting the civil employees of Puerto Rico. I can only assume from

these facts that this particular part of the Smith amendment has not been carefully considered and that the author did not advise himself that there is a provision in the statutory law itself which permits lifting of the 8-hour limitation.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. THOM. I yield to the gentleman.

Mr. SMITH of Virginia. If the gentleman had read my extension of remarks the other day in which I endeavored to explain everything that was suspended, he would have found that I stated that it could be done in case of an emergency.

Mr. THOM. Why include it in this act, if the power now resides in the Government of Puerto Rico?

Mr. SMITH of Virginia. If the gentleman wants me to answer that I will be glad to do so.

Mr. THOM. I should be glad to hear the answer.

Mr. SMITH of Virginia. The purpose of this amendment is to suspend the 8-hour laws that did not have to do with safety measures. You will find a great many in there that may not be very material, but I have undertaken, with the aid of the drafting service, to have a comprehensive inclusion of all bills which restricted hours and labor.

Mr. THOM. Whether that is necessary or not?

Mr. SMITH of Virginia. That is a matter that the gentleman and I might differ on.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman and members of the Committee, I regret very much that I find myself in disagreement with my distinguished friend from Virginia who has offered the amendment to the bill before the House known as the Smith amendment. I do not think that this amendment affects any class of labor at all except unorganized labor.

Certainly most of us have a very great respect for the unorganized labor of this Nation and none of us would be willing to exploit it under any circumstances. To confirm the opinion which I have about this bill I want to read to the House a telegram which should weigh very heavily with it as a piece of evidence. It is a telegram from one of the outstanding cotton manufacturers in the State of North Carolina, whose organization for many years has conducted one of the most successful cotton mills in my State. Here is what an official of the Rocky Mount Cotton Mills has to say about the amendment under consideration:

ROCKY MOUNT, N. C., February 27, 1942.

Hon. JOHN H. KERR,

House of Representatives:

I sincerely hope you will oppose the Smith amendment to suspend the 40-hour week. The elimination of overtime will only affect unorganized labor and permit certain industries to realize more profits. The wage and hour law has been a godsend to the working men and women of this State, and the overtime provisions are holding down production is generally made by those who have always opposed such regulation and want to see it destroyed.

Kindest regards.

HYMAN L. BATTLE.



Mr. Chairman, I know that this evidence will weigh very heavily with the membership of the House, and I not only place it in the RECORD as confirming my own opinion about this proposed amendment, but I want to further convey to this House that it is the opinion of one of the great manufacturers in one of the great industrial States of this Union.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent that the Clerk read for the information of the Committee the amendment I have at the desk.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK as a substitute for the amendment offered by Mr. SMITH: On page 12, after line 11, insert the following:

"Notwithstanding any other provision of law, the President is hereby empowered and directed, when necessary to speed war production for national safety, to suspend any provision of existing law pertaining to hours of labor in defense industries for the duration of the war."

Mr. MURDOCK. Mr. Chairman, as a father of two soldiers, I can understand how parents feel about their sons in the military service who may not be adequately equipped. However, I have no such reports concerning my sons. I understand what any delay in military production, which is so vital now to our winning the war, means, and I want no such delay. I feel that throughout this country there is a fear of delay and an imperative demand on the part of the public that nothing be permitted which would retard the production of the war equipment we must have to win this war.

In spite of that fact, I feel that the Smith amendment goes too far, and I offer a substitute amendment as a compromise. Although it has been stated on the floor of the House today that the President already has the power my amendment would give him, I doubt that he now has it and I want it to be written into the law. I do not know whether or not the President wants this power, as I have not talked with him for weeks and months. I have no means of knowing whether or not he would desire it. I know, however, that the President of the United States is the Commander in Chief of the Army and Navy. On his shoulders rests the responsibility of the military phases of this war, and I think that on his shoulders should be placed this responsibility of military production, which is equally vital in the winning of the war.

According to the Constitution of the United States, the President is virtually a dictator in time of war. Outstanding Presidents have heretofore been so under their oath of office. George Washington was, Abraham Lincoln was, Woodrow Wilson was, and Franklin D. Roosevelt must be in the conduct of this war.

The laboring people of this country know the President of the United States. They know very well that labor has never had a greater friend in the White House

than its present occupant. Yet he has dealt firmly with labor leaders and labor situations where the welfare of the country was at stake.

My amendment would provide simply that not all regulations should be suspended, but only those it is found necessary to suspend for the proper production of war material conducive to our national safety. The President would not go beyond due bounds in this respect. No man knows better than he what is needed. No man is more concerned or anxious about the outcome of this gigantic conflict than is the President. I believe American labor will be satisfied to have confidence in the President's direction of any necessary changes in working hours conducive to our safety.

Mr. Chairman, I hope this compromise amendment will be regarded as wiser than the far-reaching amendment offered by the gentleman from Virginia.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUTLER].

Mr. BUTLER. Mr. Chairman, I do not know that what I have to say will have much bearing on this question, although I think I am one of the latest to come from the labor world into the House.

From what I have heard in the last 2 days regarding this amendment that suspends the operation of 17 labor laws for the duration of this war, I think there is no one here who can explain all the laws that will be suspended. Perhaps we shall go back to the old sweatshop conditions and child labor, once these laws are suspended. We know we had a long-drawn-out fight to get these laws enacted—to get laws passed to protect the 48,000,000 people who are working in the labor world today. Approximately 12,000,000 of the 48,000,000 are organized. The 12,000,000 are the ones who have fought to get these bills passed to protect the other 36,000,000 people, and they are still fighting to protect these 36,000,000 people.

I do hope that the Smith amendment will be defeated. I do not say this of the man who introduced the bill, but the bill itself has been more or less steeped in the spleen of hate toward labor, and I hope the Members will defeat it.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROBSON].

Mr. ROBSON of Kentucky. Mr. Chairman, the bill before us under consideration is Senate bill 2208. The title of the bill states "To further expedite the prosecution of the war." I dare say that no measure since I have been a Member of the House covers a wider field or is more far-reaching in the powers granted to the President than the bill before us. We are advised that this measure was worked out in its original form by the President, the Navy Department, the War Department, and other important departments of the Government, together with those who are engaged directly in the war production and in the prosecution of the war. It was introduced in the Senate and carefully

considered by the Senate. It then came to the House and was referred to our Judiciary Committee. Our committee heard representatives of the Navy, War, Justice, other departments and agencies of the Government charged with the duty of providing for the defense of this Nation and the prosecution of the war.

The bill covers 16 titles. The subject treated in no one title is related to the subject treated in any other title. These several titles cover what the administration considers as the additional essential powers needed by the Government in order to expedite production and the prosecution of the war. Ordinarily the matters contained in these several titles would have been referred to several committees of the House, which, under the rules of the House, would probably consider them, but in order to expedite prompt consideration and passage of this important bill the administration deemed it in the interest of the national defense to combine all of these matters in 1 bill and have it considered by the Judiciary Committee of the House.

With the exception of title 8, this important measure received the unanimous approval of the Judiciary Committee. Title 8 was stricken from the bill. Let us bear in mind that this bill was worked out by the President and the other departments and agencies of the Government for the single purpose of expediting the prosecution of the war and that the bill before us has the approval, as I understand it, of the President, the War Department, the Navy Department, and every other department and agency of the Government charged with providing for our national defense and in the prosecution of our war effort.

The gentleman from Virginia [Mr. SMITH] has offered an amendment to this bill. It has provoked a great deal of discussion and controversy. The important question is, Will his amendment expedite the prosecution of the war? If it will, we ought to adopt it. We are in a great war, and everything necessary should be done to bring victory to our armed forces at the earliest moment possible. If the amendment of the gentleman from Virginia will not aid production of war supplies and will not expedite our war effort, it should be rejected.

Under our Constitution the President is the Commander in Chief of our armed forces. Congress has voted for war purposes alone since July 1, 1940, more than \$142,000,000 and has granted to President Roosevelt much more power than has ever been given to any other American President in peace or in war, and acting with the President are the War Department, Navy Department, Hon. Donald Nelson, who has been placed at the head of our war production. He is ably assisted by General Knudsen, one of the great production executives of the Nation, and there are other agencies co-operating with the President.

I propound these questions to the distinguished gentleman and good Democrat from Virginia: Does the gentleman contend that the Commander in Chief of the Army and Navy is for his amendment? Does the gentleman contend that the Secretary of the Navy is for his amend-



ment? Does he contend that the Secretary of War is for his amendment? Does he contend that Hon. Donald Nelson, who is the generalissimo in charge of war production, is for his amendment? Does the gentleman contend that General Knudsen, or any other important director, leader, or agency interested in the national defense effort or in expediting our war effort, is for his amendment? I understand all of these important executives are against his amendment. It has been heard around here that the President would veto this important and necessary bill, if it contained the Smith amendment.

We have every reason to believe that the Secretary of War, the Secretary of the Navy, Mr. Nelson, and all of those engaged in war production efforts and in charge of our defenses are against his amendment. If the President, who is the Commander in Chief, the Secretary of War, the Secretary of the Navy, Hon. Donald Nelson, General Knudsen, and others are opposed to this amendment, there must be something wrong with the amendment. They are charged with the defenses of this Nation. They, undoubtedly, are interested in doing those things that will expedite the prosecution of the war.

As the gentleman from Virginia has intimated that he would speak after me, I should like for him to answer these important questions. If the President and those in charge of our armed forces on land and sea and in the air and in charge of our production efforts are all of the opinion that the amendment of the gentleman from Virginia will hinder rather than expedite the defenses and the war efforts of this Nation, the Congress should stop, look, and listen before taking that action. If this amendment is adopted, the bill would go back to the Senate, and to conference where it would likely provoke a long debate. Those in charge of our defenses and in our war production efforts say that this measure is of vital importance and must be passed now.

It has also been pointed out that the amendment of the gentleman from Virginia was introduced from the floor of the House. It is far reaching. It proposes to repeal many important and far-reaching laws themselves, covering a period of 50 years and involving industry, commerce, as well as labor. It may be that some steps should be taken. No committee has considered the Smith amendment. Neither the representatives of the Government, nor industry, nor labor nor commerce have had an opportunity to be heard. None of these proposals have been carefully checked or studied by any committee. The Smith amendment involves much more than the question of hours and pay of workers.

This Nation is now engaged in the greatest, costliest, and bloodiest war in which it ever took part. We are now in the war. It is not the time or place to debate as to how we became involved in the war. The people of this Nation and its resources must now unite in the most effective effort to win the war. The interest of any particular individual or group cannot outweigh the national in-

terest. If there are any laws upon our statute books or any conditions that can be and should be corrected by congressional action, a measure or measures should be introduced to repeal any such acts and to correct any such conditions, and then those bills should be referred to the proper committees and hearings should be held where all interested parties, including the Government, will have an opportunity to present their respective views, and the committee report such measure or measures to the House and Senate and there to be considered on their merits, looking alone to the highest and best interest of our country. I have no doubt but what the Congress would not hesitate to protect the Nation against any or all selfish interests or groups and will take the necessary action to promote production and expedite the war effort and our national defense. The American people will not tolerate the attempts of any individual or group to promote their own selfish interest as against the welfare of our Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, I strongly favor the Smith amendment, and shall vote for same.

Throughout this debate I have heard statements for and against this measure, and I am forced to say that I fear the real peril facing the democracies of the world is going over the heads of many of us. Are we the guardians of the labor leaders or any other special interest, or are we guardians of the peace, liberty, freedom, and happiness of our beloved democracy? I wish this question could sink deep into the hearts of the membership of this House. The life of our democracy hangs in the very balance, we can lose this war, and if we do not depart from this schoolboy picnic philosophy, we are going to lose it. We can win, but it is going to take the best and all there is in every citizen of this great country.

I have no disposition to take any right from any laboring man, and I further realize that labor is due its rights of protection. However, the rights of labor, industry, and every American citizen is critically in peril, and we must all sacrifice now to save the future of all of us. Think of those in the automobile and oil business, they have been called upon to virtually forfeit their businesses, but they have not murmured, and why should some other class complain when they are called upon to work more than 40 hours a week? It is perfectly ridiculous to think of winning this war on any such efforts. Germany and Japan are working 100 hours per week. Is not our cause as dear and priceless as theirs? Do not our working men and women love our country as much as their barbarous aggressors do theirs? The great majority of labor is willing to work for this victory and want to work for this victory.

I have heard so many remarks about what happened in 1892. For this I am not responsible, as I did not discover America until 1893. I am, however, responsible for actions here now and for

the future of my Nation and the rights of my people, and I shall give all there is in me toward a victory that will preserve American freedom for my children and the children of this Nation and those yet to be born. Where is the man or woman that is not willing to work more than 40 hours a week to save a Nation with all its glory, that has meant to freedom-loving people what this democracy has meant to us. I recall that the Holy Writ says in substance that we shall work 6 days and rest on the seventh, and further in substance, if the ox falls in the ditch on the Sabbath he may be taken out. If we could only realize it, something more precious than your ox is now in the ditch; the American eagle is in the ditch, and it is going to take a different type statesmanship and war effort than that so far exercised to pull it out.

Production of fighting equipment is going to be the determining factor in this war, and we have no way of knowing just how few lost hours will lose it for the democracies. Why take a chance, why not stiffen up our backs and face the issue without regard to our political future and put our Nation above ourselves? Think of the sons of our American mothers and fathers who are fighting on foreign soil not alone for the protection of democracy but for their own lives, which hang in jeopardy 24 hours a day, who are in dire need of fighting equipment. Are you willing to desert them now? Suppose they gently reposed on a 40-hour-week effort. They are either in action 24 hours a day or standing ready. How do you like to walk the streets and argue and quarrel while they are fighting for you and needing the products of your labor?

I would like to remind you that this is in no sense a repeal of any law affecting the rights of labor. It merely suspends the operation of a 40-hour week, thereby permitting employers to work its labor more than 40 hours, and labor, a majority of which is fully patriotic, to work more than 40 hours per week and thereby do its full part in our war efforts. We have sawmills in my district that took Government contracts for materials badly needed in the national defense when labor was plentiful. Their bids were made and accepted with the knowledge that they could work two shifts and not be forced to pay any overtime. Since then labor has become so scarce that they either must work overtime at time and a half—and therefore lose money on their contracts—or either shut down when 8 hours are up and thereby delay production of material badly needed at this time. I personally know that the laborer wants to work more than 8 hours at regular pay and would gladly sign a waiver of the law if they were permitted to do so. It is more than ridiculous that this House is not only willing but anxious to suspend the operation of this law through the duration, and this is all the amendment seeks to do.

I appeal to every Member of this House to rally to the support of our cause and vote for this amendment.

I want to say to you and to the people of the Nation that, if we do not wake up and realize that we have got something besides a grand, sweet song to sing, we



may wake up with the flag of Germany and of Japan floating over your country and mine. I do not believe the American people, with all the glorious traditions behind them, will tolerate or think about tolerating winning the war against the powers we have got to fight on a 40-hour week. Such a thought all but nauseates me.

Let me remind you in conclusion that the Stars and Stripes were not hoisted over free America on a 40-hour-per-week basis, and that she will not continue to float on free air on such a basis.

[Mr. WHITE addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. WHITE asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, this amendment is so framed that I feel it may work most unfairly. For instance, the War Department has between 60,000 and 70,000 employees in its manufacturing arsenals. At Springfield, Mass., in the famous armory which is producing the Garand rifle, there are more than 8,000 of such per diem employees. Under the present law, they may work up to 48 hours a week. They can work 40 hours on straight pay and the 8 hours overtime at pay and a half. They are not limited to 8 hours in any one day, but they are limited to 48 hours in any one week. If the Smith amendment is adopted, I am advised by an official in the War Department that it is very likely these employees would find themselves in the position where they might be called upon to work more than 40 hours a week, perhaps only 48, or perhaps 60, but they still would be limited, in all probability, to straight pay and no overtime.

These 8,000 employees of the Springfield Armory are very patriotic American citizens. I think the recent report of Gen. Douglas MacArthur on the effectiveness of the Garand rifle in the Philippines shows best of all the kind of product they are turning out.

In the same community there are thousands of other people employed in similar types of work. They, through their union contracts, are in a position to secure overtime pay, time and a half, or even double time under certain conditions, when they work over the stipulated number of hours a week, usually 40 hours, even though this amendment is adopted. I feel that it is very unfair that in one community or, for that matter, throughout the United States, persons who happen to be employees of the arsenals of the War Department should find themselves in a position where they will not be given the same kind of treatment as employees in private industry will get. Their unions cannot demand from the Government, and they cannot strike for better wages. In fact, they would not think of striking. They are upholding a most honorable, century-old tradition. Their representatives confer with the armory officials as occasion demands. They are meeting schedules regularly in production of the

Garands. They are entitled to the same treatment as all other Americans. This amendment discriminates against them. I shall, therefore, vote against its adoption.

Mr. BURDICK. Mr. Chairman, I rise to make this short observation, which will not take 2 minutes: If we should pass the Smith amendment today, we will be doing exactly what the French Nation did before their defeat by Germany. It will be recalled that we read that labor organizations in France were squelched before there was any defending done against the German Army. If you think that is the way to get patriotic service from labor in America—to abolish all of the laws that they have gathered throughout the last 50 years for their own protection and brand labor as unpatriotic—then I say you are taking a step which, in my judgment, will lead to a slack defense when we need from unions nearly everything this country possesses.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. WHITE. Is it not a fact that when the railroad men struck in France to improve working conditions the nation called them to the colors and told them as an army to run the railroads and break the strike?

Mr. BURDICK. In any event, the action against labor in France defeated the French Republic.

Mr. ANGELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD on the Smith amendment.

The CHAIRMAN. Is there objection? There was no objection.

[Mr. ANGELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WHITTINGTON. Mr. Chairman, I have an amendment, which I am sending to the desk, and I ask to have it reported for information at this time.

The CHAIRMAN. The Clerk will report the amendment for information. The Clerk read as follows:

Mr. WHITTINGTON offers the following as a substitute for the pending amendment:

#### "TITLE IV—A

"That during the national emergency declared to exist by the President on May 27, 1941, the following provisions of law, as amended, except to the extent that they are applicable to employers and employees, performing work which the President finds and by order declares is not necessary for the prosecution of the war"—

Mr. WHITTINGTON (interrupting the reading). Mr. Chairman, the remainder of the amendment is an exact copy of the Smith amendment. I ask unanimous consent that the further reading be dispensed with at this time.

The CHAIRMAN. Is there objection? There was no objection.

Mr. MARCANTONIO. Mr. Chairman, do I understand that this is offered as a substitute?

The CHAIRMAN. The amendment is read only for information, and will later have to be offered if it is desired to have it considered.

Mr. WHITTINGTON. Mr. Chairman, the pending motion is the Monroney amendment. The Monroney amendment provides—and I quote:

In plants determined by him to be vital to the production of war supplies, the President may suspend—

And so forth. The amendment that I propose is really a substitute for the Monroney amendment; and instead of providing that the President may suspend the hours, days, or weeks of labor, the amendment I propose automatically suspends by the adoption of the Smith amendment those days, hours, and weeks and gives the President of the United States the authority to declare what work is not necessary to the prosecution of the war by excepting such work from the Smith amendment—and I quote my amendment:

Except to the extent that they are applicable to employers and employees performing work which the President finds and by order declares is not necessary to the prosecution of the war.

In a word, the Smith amendment, which has been analyzed by the remarks of the gentleman from Virginia, as shown by the CONGRESSIONAL RECORD of February 25, 1942, page 1700, suspends only the days, weeks, and hours of 17 acts, including the Communication Act, as amended, which has reference to the hours of radio inspectors, and including the Puerto Rico Act affecting only Government work in Puerto Rico.

I am delighted that the gentleman from Massachusetts [Mr. CASEY] has said that the Smith amendment can do no injustice to organized labor. The amendment provides that the two acts where we gave the President the right to suspend until June 30, 1942, shall be continued until December 31, 1944, and provides, not for the repeal but for the suspension as respect hours and days and weeks of each of these 17 acts that have to do either with defense construction or with Government work, and that they shall be suspended for the duration of the war.

I am glad to know that the gentlemen who spoke from districts where there is organized labor say that these amendments can do them no injustice. I believe we can depend upon it that if they do not do any injustice to organized labor they will not do any injustice to unorganized labor.

I believe in the man who toils; I favor collective bargaining. My sympathies are with the laboring man. I believe, however, that labor has been imposed upon by designing and selfish leaders. This does not apply to all labor. At heart labor is sound.

Again, I believe that labor has in many instances been under subversive influences. Labor is not altogether to blame. The country is demanding that labor free itself from undesirable leaders and undesirable influences. The purpose of the Smith amendment is really to free labor.

I extend to say that, while I have opposed wages-and-hours legislation generally, I have done so in the conviction that it was for each State to determine the regulations for that State. I have op-



posed sweatshops and child labor, and I have advocated a square deal for labor, both organized and unorganized.

I repeat that I was glad to hear the gentlemen representing districts where there is much organized labor, including the C. I. O. and the A. F. of L. organizations, say that the Smith amendment would have no effect on them, that they would be uninfluenced by the passage of the Smith amendment. They state that organized labor is protected by contracts that will run along for some time. The complete answer is that if organized labor is not affected they have no complaint with respect to the Smith amendment. The further answer is that if organized labor is not affected, certainly unorganized labor is not injured. The fact is that none of the real rights of either organized or unorganized labor is invaded by the pending amendment. No legislation against sweatshops and child labor, and no similar legislation is involved.

It is no time for quibbling. A question was asked as to what section and paragraph of the Communications Act of 1934, as amended in 1941, was involved. Members of Congress have received full notice; they know what provision of the Communications Act is involved. The gentleman from Virginia [Mr. SMITH] was careful to state that the pending amendment was prepared by the drafting service and he was careful to state that the analysis of the amendment and that the statutes affected by the amendment have been placed in the CONGRESSIONAL RECORD in connection with his speech of February 25, 1942, and a full analysis appears on page 1700 of the RECORD. The only part of the Communications Act, as amended, that is affected involves the compensation for radio inspectors. They are Government employees.

Another question was asked with respect to the statute of March 3, 1917, respecting the government of Puerto Rico. The analysis of the bill shows that it refers to the 8 hours with respect to the employment by the Government on public works. If the United States is to pay for work in Puerto Rico during the war, the workers should cooperate and work longer hours, if necessary.

Every one of the 17 laws and the provisions of the laws were set forth in the CONGRESSIONAL RECORD of Wednesday, February 25. He who runs should have known just what provisions are suspended.

All of the 17 acts referred to involve hours, days, or weeks of labor, and only those provisions of the acts involving hours, days, or weeks and involving Sundays or holidays or nights and involving payment for time-and-a-half overtime are suspended. All of the statutes have to do with either defense plants or with Government works.

The act of October 10, 1940, prohibiting more than 8 hours upon work covered by Maritime Commission contracts stipulates that the provision terminates on June 30, 1942. One of the first general war-power bills, known as the act of June 28, 1940, authorizes the President to suspend for the War and Navy Departments and the Coast Guard the provisions

of the act respecting 8 hours' labor, and the act stipulates that it shall terminate on June 30, 1942.

If it be unfair to labor, either organized or unorganized, to pass the pending Smith amendment, it was unfair to pass the acts, from which I have just quoted, in 1940. There is nothing new about the principle. If it were necessary to suspend in 1940 to prepare for war, it is a great deal more necessary to suspend in 1942 to win the war.

There is another reason for the suspension provided in the pending amendment. One of the statutes at least prohibits more than 30 hours in any one week under loans furnished by the Reconstruction Finance Corporation. Taxpayers must foot the bill. Others of the statutes only involve the suspension of the 8-hour day in emergencies. No reference is made to the 40-hour week.

The amendment contemplates the statutory suspension of the provisions in any of the laws, and they do occur in several of the acts, that require payment of time and a half for overtime and for holidays and for nights.

Such provisions were inserted in the act for peacetimes. They are not repealed; they are only suspended for the wartime. If soldiers can fight longer than 8 hours a day or longer than 40 hours a week, laborers should be willing to work longer.

There must be no misunderstanding. The amendment does not prohibit the payment of time and a half for overtime; it does not in any wise prevent collective bargaining; it leaves the employees free to bargain collectively; it leaves unorganized labor just where it is. There is no discrimination between the two.

Some of the 17 statutes, I repeat, refer to 8 hours. They do not refer to the 40-hour week. Some of them make no reference to time and a half for overtime. The real purpose of the pending amendment is to provide for the abolition of the 40-hour week in war industries. Wages are not involved—only hours, days, and weeks are involved in this amendment. It is intended to apply to defense industries. Such is the purpose of the Monroney amendment.

I believe it is time for Congress to speak up. Under the Monroney amendment it would be for the President to suspend the hours, the days, and the weeks laws in defense plants. Congress should not straddle any longer. If it is sound for the President to suspend, it is equally sound for Congress to suspend.

While I have opposed wages-and-hours legislation, my activities in the pending amendment are directed toward production in national defense industries. If by any construction any part of the 17 acts that are involved relates to manufacturing or to industries that are not engaged in the production of war supplies, they are not involved, but to make assurance doubly sure and to present the concrete question to Congress and to abolish the 40-hour week in defense industries, I believe that it would be better to substitute for the Monroney amendment, which authorizes the President, in plants determined by him to be

vital to the production of war supplies, to suspend the hours and the days, and in lieu of that to amend the Smith amendment by providing that the Smith amendment shall not be applicable to any employers or employees performing work which the President finds, and by order declares, is not necessary to the prosecution of the war. While I favor the Smith amendment, I shall, therefore, propose in due time the Smith bill with the proposed amendment; or, if the Monroney amendment is defeated, I will offer an amendment to the Smith bill, excepting from the suspension and making the Smith amendments inapplicable to employers and employees performing work which the President finds is not necessary to the prosecution of the war.

Labor is patriotic; labor wants to work longer than 8 hours when necessary. Labor wants to work longer than 40 hours a week when necessary. Labor is willing to work on holidays. I believe that if soldiers are not paid time and a half for overtime, labor will be willing to work, or at least will be satisfied with the right to bargain collectively as to overtime.

The question before the House is the passage of legislation to promote the winning of the war. I know of no better way to aid in that great objective than in freeing labor from subversive influences, undesirable leadership, and leadership that may contribute to depriving labor of many of the gains it has obtained.

The real purpose of the Smith amendment is to save labor, organized and unorganized, from those who would sacrifice labor to promote their selfish ends.

Those who oppose the Smith amendment have admitted that organized labor will be deprived of no rights because there is nothing to prevent collective bargaining. They ask, however, for the defeat of the pending amendment on the ground that they will prejudice unorganized labor. I believe that those who make these statements are unconsciously influenced by their partiality for organized labor. The best proof I can offer of this statement is that those who said it would injure unorganized labor have failed to mention or to describe a single provision of the pending amendment that will injure or destroy a single right of unorganized labor. I repeat that if it will not interfere with the rights of organized labor, it will not interfere with the rights of unorganized labor.

I put country above labor, either organized or unorganized. No man has denounced the profiteer more than I. No man has denounced the corrupt contractor more than I. I have advocated legislation to curb excessive profits to contractors. I wish there were such legislation in the pending bill. The amendment deals with labor. Other bills cover contracts and cover taxes. I will continue to vote to eliminate the racketeer, whether he be a contractor or whether he be a labor leader. I will continue to vote to curb the racketeer, whether he is a capitalist or whether he is a so-called labor leader.

I believe in the rights of labor. I am always sympathetic with those who toil, but I will continue whenever and wherever I can to eliminate the racketeers



who would destroy the gains and rights that labor has attained.

My purpose in offering the amendment to the Smith amendment is to promote the passage of the substance of the Smith amendment, and the real purpose of that amendment is to abolish the 8-hour day and the 40-hour week for the duration of the war.

If any oppose the real purpose of the amendment on the ground that collective bargaining would be affected, or if they oppose it on the ground that they favor time and a half pay for overtime work, then I suggest that an amendment would be in order to state definitely that collective bargaining is not affected or an amendment to strike out the provisions that would suspend payment of time and a half for overtime. The remedy is not to defeat an amendment that will enable labor to produce. The remedy is to perfect legislation that will enable Donald Nelson, charged with production, to have defense plants work on holidays.

I believe that our soldiers are just as patriotic as our workers. We have drafted soldiers; we did not depend on volunteers. If we can draft soldiers, if we have not depended on volunteers for the armed forces, we can legislate, and we should legislate, to suspend the 40-hour week for the duration of the war.

[Here the gavel fell.]

(By unanimous consent, Mr. WHITTINGTON was granted permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Virginia [Mr. SMITH] is recognized.

Mr. SMITH of Virginia. Mr. Chairman, the gentleman from Mississippi [Mr. WHITTINGTON] has just offered a substitute for the so-called Smith amendment. As I understand the parliamentary situation, before that substitute can be voted upon we must first vote upon the various pending amendments and the amendments which have been read for information. After the Smith amendment has been perfected—if I may use that expression—then the substitute offered by the gentleman from Mississippi will be in order without further debate. Have I stated it correctly, Mr. Chairman?

The CHAIRMAN. Does the gentleman make that statement as a parliamentary inquiry?

Mr. SMITH of Virginia. Yes, Mr. Chairman.

The CHAIRMAN. The Chair invites attention to page 6 of Cannon's Precedents, where a diagram appears, that clearly shows the parliamentary situation. An amendment is in order. An amendment to the amendment is in order. A substitute for the amendment is in order, and an amendment to the substitute. All those can be pending at one time, but any other would be in the third degree.

Mr. SMITH of Virginia. As far as I am concerned, the Whittington substitute is entirely agreeable to me. The effect of it is that it suspends these same laws, but it leaves in the hands of the President the power to exempt from that exception any industry that he regards as not essential to national defense.

Now, Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Virginia. Can the Whittington substitute be offered and voted upon before the others are disposed of?

The CHAIRMAN. If the amendment is offered as a substitute for the pending Smith amendment it can be offered, but the amendment to the amendment, such as the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY] would be voted on first before the question would recur on the substitute for the pending amendment.

Mr. SMITH of Virginia. Then after all these amendments are voted on the Whittington substitute would be voted upon?

The CHAIRMAN. If it is offered it would be voted upon next preceding the vote on the gentleman's amendment.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Under the parliamentary situation, is it not true that I am precluded from offering the amendment which I propose to the original Smith amendment, as a substitute for the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY]?

The CHAIRMAN. The gentleman is correct in that no amendment to the amendment offered by the gentleman from Oklahoma is in order, because it would be in the third degree.

Mr. WHITTINGTON. For that reason I did not offer it as an amendment to the amendment.

A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. I have announced that I propose to offer that as an amendment. Is it not true that in the event the Monroney amendment is rejected by the committee, then it would be in order for me to offer this amendment as an amendment to the Smith amendment?

The CHAIRMAN. The gentleman is correct.

Mr. WHITTINGTON. And that I propose to do.

Mr. MURDOCK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MURDOCK. I have a substitute for the Smith amendment. In what order is it presented?

The CHAIRMAN. It would be in order to be offered at any time before action on the Smith amendment is taken.

Mr. MURDOCK. Mr. Chairman, I have a substitute amendment for the Smith amendment which is at the desk, and if debate is closed I would like to have the Clerk read it.

The CHAIRMAN. Debate is not closed because there are two more names on the list.

Mr. DONDERO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONDERO. Would the amendment proposed by the gentleman from Arizona [Mr. MURDOCK] be in order before the amendment offered by Mr. MONRONEY is voted on?

The CHAIRMAN. It could be offered, but it would not be voted on before the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY]. But it is not offered as an amendment to the Smith amendment. I understand it will be offered as a substitute for the Smith amendment.

Mr. POWERS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POWERS. If the Monroney amendment is adopted, will there be a vote on the Smith amendment?

The CHAIRMAN. Yes. Action cannot be taken in the House without the House voting, except by unanimous consent.

The Chair would like to make an inquiry. There are two other names appearing on the list, the gentleman from Texas [Mr. SUMNERS] and the gentleman from Nebraska [Mr. McLAUGHLIN]. Do both gentlemen seek recognition?

Mr. SUMNERS of Texas. I do not seek recognition, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. McLAUGHLIN] for 5 minutes.

Mr. McLAUGHLIN. Mr. Chairman, I think it would be well for us in passing on this amendment to consider the circumstances under which the bill comes before us.

We are at war. The President of the United States is the Commander in Chief of the armed forces of our Nation. He is the Commander in Chief of those on the left side of the aisle as well as of those on the right. The President of the United States requested certain changes in existing law for the purpose of expediting our war efforts. Our effort is devoted to the winning of this war. Unless we win this war there will be no parties, there will be no capital, there will be no labor, there will be no agriculture. Unity is essential to the winning of this war. This bill came before the subcommittee of which I am chairman under those circumstances. Hearings were had, and on both sides of the aisle in the subcommittee and in the full Committee on the Judiciary the views and expressions of the President were listened to respectfully and patriotically.

This provision that comes before us today in the form of an amendment which will have the effect, the far-reaching effect, of changing drastically 17 laws, dating back as far as 1892, was not before the subcommittee or the full Committee on the Judiciary. Hearings were had on the other titles but not on this. I do not think this is a partisan thing; I do not think this is a thing in which we need consider anything but our patriotic duty as Americans.

I think we should give regard—Democrats, Republicans, and Independents—to the views and wishes of the Commander in Chief of the armed forces of the United States and pass this bill as



it has been recommended with such suggestions in the titles which are submitted as we deem proper, but I do not believe, as chairman of the subcommittee which conducted these hearings, that it is in line with proper procedure and that it is going to effectuate unity or forward our war aims to come into this House without a word of hearings from anyone in the Army, the Navy, the President himself, or his advisers, or those who are delegated by him, and attempt to legislate on the floor of the House. I think if we are going to approach the question involved in the Smith amendment, we should do it in an orderly way, and that we should have the advice and counsel of those who are primarily charged with the responsibility of conducting this war. Let us remember that we are at war. Let us remember that this Nation is in peril. When we vote on this amendment we should consider the views of those who are primarily charged with the responsibility of the war. We have not had the benefit of their views. For this reason I do not believe the Smith amendment should be adopted, or any proposal in substitution for it.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Chairman, I ask unanimous consent that as each amendment is voted on the Clerk may read it so that we may have it clearly in mind and not be confused.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will again report the amendment offered by the gentleman from Oklahoma [Mr. MONRONEY].

The Clerk read as follows:

Amendment offered by Mr. MONRONEY: Page 1, line 9, after "as amended", strike out the remainder of the line and insert "may be suspended by the President in plants determined by him to be vital to production of war supplies, insofar as they—"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma to the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. MONRONEY) there were ayes 83 and noes 162.

So the amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment. This is the same amendment that has been reported, but I now offer it independently.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON to the amendment offered by Mr. SMITH of Virginia: On page 1, line 9, after "amended", insert "except to the extent that they are applicable to employers and employees performing work which the President finds and by order declares is not necessary to the prosecution of the war."

The CHAIRMAN. All debate on the amendment is exhausted. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. MURDOCK. Mr. Chairman, I offer a substitute for the Smith amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK as a substitute for the amendment offered by

Mr. SMITH of Virginia: On page 12, after line 11, insert:

"Notwithstanding any other provision of law, the President is hereby empowered and directed, when necessary to speed war production for national safety, to suspend any provision of existing law pertaining to hours of labor in defense industries for the duration of the war."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. MURDOCK] to the amendment offered by the gentleman from Virginia [Mr. SMITH].

The amendment to the amendment was rejected.

Mr. McGRANERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McGRANERY. Mr. Chairman, in view of the fact that I have sent to the Clerk's desk an amendment, and in view of the statement made by the distinguished chairman of the Subcommittee on the Judiciary and the vote just taken, I do not desire to press my amendment at this time. Will it be necessary for me to obtain unanimous consent to withdraw that amendment?

The CHAIRMAN. It is not, because the amendment has not been offered. It was read for information only.

Mr. McGRANERY. I may say, Mr. Chairman, that I will not offer it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 62, noes 226.

So the amendment was rejected.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Immediately following title IV insert a new title as follows:

"Title IV (a) relating to eligibility for the benefits of the Civil Service Retirement Act and the preservation of the credit of the Government to facilitate the prosecution of the war.

"That the Civil Service Retirement Act of May 29, 1930, as amended, shall not apply to any officer or employee of the United States or of the municipal government of the District of Columbia in a class or position which was not within the purview of such act of May 29, 1930, as amended, on January 23, 1942."

Mr. CELLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CELLER. May I inquire, Mr. Chairman, whether or not that amendment is to be inserted after title IV (a) which was just defeated, or title IV?

The CHAIRMAN. The Chair understands it is offered as a new title to follow title IV.

Mr. McLAUGHLIN. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentleman from Ohio [Mr. SMITH] desire to be heard?

Mr. SMITH of Ohio. I do, Mr. Chairman.

The CHAIRMAN. The Chair will be pleased to hear the gentleman.

Mr. SMITH of Ohio. Mr. Chairman, the purpose of S. 2208, as stated in the title, is "To further expedite the prosecution of the war."

There are 15 titles in this bill, not 1 of which is related to any of the others.

Perhaps the most germane part of this whole bill to its objective is title IV. This is specifically designed to preserve the credit of the Government. The debates relating to it clearly show that it is intended to provide a reserve market for Government securities. Under this title the Treasury is supposed to use the powers granted in it only in emergency—when there may be danger of a falling market for Government securities.

Now, my amendment is also specifically designed to safeguard the credit of the Government. It seeks to save to the taxpayers, and therefore to the Treasury, \$44,000,000 annually by repealing the provision in the Ramspeck Act which sets up pensions for 250,000 political job holders drawing salaries up to ten and twelve thousand dollars a year.

What possibly could be more necessary to prosecute this war than to protect the credit of the United States Treasury? It is unqualifiedly the most-needed thing in the United States today to prosecute this war. We have not got a dime to pay pensions to political job holders. We need every penny we can rake and scrape together to buy guns, planes, tanks, and ships.

I therefore submit, Mr. Chairman, that my amendment is germane to the purpose of this bill.

The CHAIRMAN (Mr. COOPER). The Chair is ready to rule.

The gentleman from Ohio [Mr. SMITH] offers an amendment which is sought to be included as a new title to the pending bill. The gentleman from Nebraska [Mr. McLAUGHLIN] makes a point of order against the amendment on the ground it is not germane.

The Chair has examined the amendment offered by the gentleman from Ohio [Mr. SMITH], and in that connection invites attention to a part of the ruling of the Chair made yesterday on a point of order made at that time, as follows:

Therefore the Chair is of the opinion that the only proper and reasonable test that can be applied in a situation of this kind is the subject matter and the purpose covered by the pending bill and the pending amendment. The purpose of the pending bill is to further expedite the prosecution of the war.

The amendment offered by the gentleman from Ohio [Mr. SMITH] has to do with the Civil Service Retirement Act of May 29, 1930, as amended, and would affect the domestic employees of the Government. Certainly there is nothing in the pending amendment to indicate to the Chair that it is related to the subject matter covered by the pending bill.

The Chair is of the opinion it is not germane to the pending bill and sustains the point of order.

Mr. KEOGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEOGH: On page 12, after line 11, insert a new title, as follows: "TITLE IV (A). The President shall have the power to deal with each of the titles of this bill as if each title were a separate bill, as is



provided by article I, section 7, of the Constitution."

Mr. KEOGH. Mr. Chairman, while I appreciate that perhaps the necessity for this amendment is not as cogent as it might have been if the events of the last 15 minutes had turned out differently, I should, however, like to submit for the earnest consideration of the Committee this amendment, since it embraces a principle of legislating that has been long advocated by serious students of government, and which, in fact, has been adopted by 39 of the 48 States.

If this House earnestly seeks to implement by the pending bill the prosecution of the war, it must, I respectfully submit, give serious consideration to the principle involved in this amendment. The various titles embraced in this bill are in fact separate bills. The bill seeks to confer upon the Executive such supplementary power as he deems necessary to carry out his constitutional responsibility. That is his and not our primary responsibility. We should not, therefore, present to him such a comprehensive bill as the one under consideration and compel him to accept it or reject it in toto. We must not assume in this connection to invade the Executive's prerogatives. Above all, we should not attempt to include within the bill additional matters about whose merits there may be any doubt.

This bill, being in reality 16 separate and distinct bills, we should as a result recognize that fact, and we can recognize it by including here the well defined and recognized principle embraced in the amendment. Our sole objective should be, as stated in the title of the bill, further to expedite the prosecution of the war. This objective should never be lost sight of by any branch of the Government or by any segment of the people.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman from New York.

Mr. HANCOCK. I wish the gentleman would tell us where he finds the constitutional authority for this amendment.

Mr. KEOGH. I would be very happy to refer the gentleman to the very distinguished chairman of the House Committee on the Judiciary, who on May 5, 1937, submitted an informal opinion to the then Speaker. It seems to me that the crux of the constitutional question would turn upon the fact that the various titles of this bill are separate and distinct and, in fact, constitute separate bills.

MAY 5, 1937.

Hon. WILLIAM B. BANKHEAD,  
*Speaker, the House of Representatives,*  
*Washington, D. C.*

MY DEAR MR. SPEAKER: You will recall that the other day when we were discussing your suggestion that I prepare a proposed amendment to the Constitution authorizing the President to veto separable items in appropriation bills, I suggested that it might be worth while to consider whether such power may not be exercised without amending the Constitution.

I have been able to examine only the text of the applicable provisions of the Constitution. I have some familiarity with the historical background, none with the precedents,

decisions, etc. But the purpose and plan are so clearly revealed by the text of the Constitution that an examination of precedents and decisions is unnecessary to the formation of a tentative opinion which I am transmitting for your consideration.

It is my opinion that the word "bill," which is the key word in the text, insofar as the instant question is concerned, should have a construction not more narrow than the separable items in the bill, I mean items which might have been the subject matter of separate bills. I do not hold this word may not be given even a more liberal construction, but I am willing to go as far as separable items without any further explorations. If I should find contrary decisions, etc., I would not be able to agree with them though I might be compelled to abide by them.

I have no hesitancy in saying that the purpose and plan of the Constitution would be carried out by the construction which I have indicated, and that it is not carried out by the present construction. The present construction makes it necessary to veto an entire bill in order to give to the Congress the benefit of the President's objection to a single item in that bill. On the other hand, it compels the President to give official approval to an item which he does not approve in order to avoid vetoing the whole bill, some provisions of which he may consider very important.

The plan of the Constitution in its entire concern is that proposed legislation which has received congressional endorsement shall become law when the President shall examine and approve it; and if it be disapproved, the judgment of the Congress be taken again in the light of the President's objections, which judgment is to be expressed by a two-thirds vote of the Houses of Congress. It is a part of the plan that legislation which the Houses of Congress and the President, as a matter of fact, approve become law as soon as their minds meet and the formalities of the Constitution are complied with. Permitting official approval by the President of that which is agreed to and disapproval of that to which he objects would be in harmony with the plan and purpose of the applicable provision of the Constitution. Any construction of the word "bill" which compels the President officially to approve that which he does not approve in order to avoid striking down the whole bill, or, on the other hand, to strike down the whole bill in order to reach items he does not approve, is a construction contrary to this plan.

No accepted rule of constitutional construction makes it incumbent upon effectuating officers so to construe this word "bill" as to compel them to violate the clear purpose and plan of the Constitution. The "bill" to be returned with objections means not the entire number of separable legislative items assembled under one caption, but any of the items assembled under that caption which it is practical to isolate and make the object of Executive disapproval.

This, you understand, is a tentative opinion. I am asking a couple of members of the Judiciary Committee to examine further into the matter. As soon as they shall have completed the examination and a conference is had, I shall advise you further.

With kind personal regards,

Sincerely yours,

HATTON W. SUMNERS.

Mr. HANCOCK. The titles in this bill are not separate bills any more than the items of an appropriation bill.

Mr. KEOGH. The closest analogy that I think I might call to the gentleman's attention is an omnibus claims bill, where this House votes upon the omnibus bill and, under the rules of the House, on the passage of that bill it is dissolved into its separate titles. I

feel, however, that this is not the time nor the place to argue the constitutionality of this provision. I am certain there are students of constitutional law here who will concede that this is a principle which comes squarely within our Constitution and has long been advocated, especially with respect to appropriation bills.

Mr. HANCOCK. I may say that omnibus claims bills consist of titles originally introduced as individual bills and under the rules are considered as one bill, but that is only for the purpose of expediting and facilitating action in the House. After the House has acted upon them, they are divided into the separate bills they were originally.

Mr. KEOGH. I do not mean to get into a lengthy colloquy with the gentleman, but actually that has been the practice which has been incorporated in this bill. The 16 separate titles would have gone to upward of 10 of the standing committees, but for the purpose of expediting the consideration of this bill they have been embraced within this omnibus bill, which was referred to the Committee on the Judiciary.

Mr. HANCOCK. It may be bad practice, but all these titles are embraced in one bill. They have not been considered separately. Under the Constitution the President can only sign it or return it with his objections.

Mr. KEOGH. I question the validity of that statement, but I do not mean to be impolite.

Mr. HANCOCK. I refer the gentleman to article I, section 7, of the Constitution.

Mr. KEOGH. I refer the gentleman also to a statement that appeared in the CONGRESSIONAL RECORD of January 14, 1938.

Certainly we should follow no course, at the moment, other than to work in complete harmony with our Commander in Chief. We should go further and assiduously avoid in any way interfering or restricting the war policy of our Government.

The legislative procedure adopted in the pending bill might tend to run counter with the fast-changing events of these days.

Vesting authority in the President to consider the titles of this bill, as if each were a separate bill would, it seems to me, be sound legislating and urge that the committee will give careful, complete, and I hope, favorable consideration to the amendment I have proposed.

(Mr. KEOGH asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on yesterday this committee did a thing which apparently it did not intend to do. At the proper time I expect to offer an amendment to correct the error which was made yesterday.

According to the debate on the amendment offered by the gentleman from Virginia [Mr. SMITH] to title IV, it was clearly the intention of the committee to restrict the amount of bonds and other obligations which the Federal Reserve might buy directly from the Treas-



ury to \$5,000,000,000. Because that amendment was inserted in the wrong place, it is very apparent that what we did do, unwittingly and unconsciously, was to restrict to \$5,000,000,000 the amount of bonds and other obligations which the Federal Reserve could buy either in the open market or from the Treasury. What we did in fact, apparently, was to confine the financing of this war to \$5,000,000,000. I do not think that was the intent of the committee.

This shows the difficulty of trying to amend bills of this nature hurriedly on the floor of the Congress. Of course, this gives weight to the argument that this provision should have been given several days of hearings before it was ever reported by the committee in the first place.

Now, I expect to offer an amendment at the proper time to insert the language in its proper place, which would be following the quotation marks and the period at the end of the sentence, on page 11. The amendment will be to add a proviso that the total of all holdings purchased by the Federal Reserve directly from the Treasury of the United States should not exceed \$5,000,000,000. If that is accepted, as it should be to clear up the error, then I shall ask unanimous consent that the language adopted yesterday and inserted in an incorrect place following the word "interest" may be stricken from the bill. I hope it will be accepted, because it apparently was the intent of the committee to do that very thing yesterday.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CASEY of Massachusetts. Is the gentleman offering that amendment now?

Mr. WOLCOTT. No; I say I shall offer it at the proper time.

Mr. CASEY of Massachusetts. I think the gentleman is absolutely correct.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Michigan [Mr. Wolcott] has very correctly stated to the House just what is involved in the amendment that was adopted on yesterday. I will say that, like other Members of the House, I had not read the amendment until after it was adopted. I went to the Speaker's desk and found that instead of fixing a limitation upon the amount of bonds which the Treasury might sell direct to the Federal Reserve banks, the limitation applied to all obligations that might be purchased by the Federal Reserve banks.

Now, what is the situation? There is very little difference between what we did yesterday and what will be done if we adopt the amendment that has been suggested by the gentleman from Michigan. Already we have something like \$50,000,000,000 of direct Government obligations; in addition to that some twelve or fifteen billion dollars of indirect obligations. Before we shall have finished with financing the war we are sure to have an enormous increase in the amount of Gov-

ernment obligations incident to the war program. The amount of \$5,000,000,000 is insignificant in the present program. So if we limit the Federal Reserve banks to the amount of \$5,000,000,000 that they may purchase directly from the Treasury, we might just about as well leave the law as it is and strike out the provisions of title 4 of the bill. Either amendment would nullify the purpose of the provision of the pending bill. The purpose of the provision is to permit the Federal Reserve banks to purchase sufficient obligations to prevent any embarrassment or difficulty in floating such obligations as may be necessary in the future and, meantime, protect outstanding obligations already in the hands of the public. These obligations must be fully protected to insure successful war operations of the Treasury.

There is no danger of inflation in this provision. This has been explained already.

The same authority for the issuance of currency exists in connection with obligations purchased from the public as would be the case as to obligations purchased directly from the Treasury. Federal Reserve officials are not favorable to inflation. They have used their powers repeatedly by raising reserve requirements to prevent inflation.

Let me say to the House that this amendment is calculated to create great difficulties for the Government in financing this war. It ought not to be adopted. This bill should be passed as it was originally reported and be retained until the task now confronting the country shall have been finished. The hasty vote yesterday should admonish us that this kind of legislation should not be acted upon hastily, or in the absence of a full and complete understanding of what it involves. I hope the Committee will not adopt any amendment to the provisions of title IV of this bill. The thing to do is to defeat the amendment now before us, and when the bill is considered in the House let the amendment hastily adopted on yesterday be eliminated by a separate vote.

Mr. DEWEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to read into the Record at this point the colloquy between the gentleman from Virginia [Mr. SMITH], who proposed the amendment, and myself. The amendment that my most able chairman of the Banking and Currency Committee refers to has already been passed, but it did not quite correctly carry out the meaning and the spirit of the amendment.

I read the following:

Mr. DEWEY. Mr. Chairman, in addressing the House this morning relative to the amendment I offered I stated that the main purpose of the amendment was to take care of the requirements of the Treasury Department during any possible emergency, but at the same time to somewhat limit what they might consider was the emergency requirement. I like the amendment offered by my colleague the gentleman from Virginia [Mr. SMITH], and am prepared to withdraw my own amendment, because his amendment sets a definite limit in dollars as to the amount of securities the Treasury may sell directly to the Federal Reserve System, and,

as I understand, have outstanding in an aggregate amount at any one time. I would like to ask the gentleman from Virginia if what I have stated is his understanding?

Mr. SMITH of Virginia. That is my understanding. The only limitation imposed by the amendment is that the Treasury cannot sell directly to the Federal Reserve in excess of \$5,000,000,000.

I would like, if the gentleman will yield further, to make this statement. I have been asked two or three times what limitation this imposes upon a Federal Reserve bank to own bonds. It imposes no limitation. A Federal Reserve bank has the right to buy bonds in the open market, or to own bonds, or to acquire them in any way other than directly from the Treasury, and that right is not affected in any way, shape, or form by either the amendment of the gentleman from Illinois or the amendment which I have offered. The sole limitation this places is that in the aggregate the Federal Reserve cannot buy directly from the Treasury more than \$5,000,000,000 worth of bonds.

It is to make that point clear that the amendment suggested by the gentleman from Michigan will be offered.

Mr. CLASON. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made previously today.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn. The question is on the amendment offered by the gentleman from New York [Mr. KEOGH].

Mr. MARTIN J. KENNEDY. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the Keogh amendment.

There was no objection, and the Clerk again reported the amendment offered by Mr. KEOGH.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Wolcott: Page 12, line 11, strike out the period and the quotation marks, add a colon and the following: "Provided, however, That the total of all holdings purchased direct from the Treasury of the United States shall not exceed \$5,000,000,000."

Mr. WOLCOTT. Mr. Chairman, the amendment is in keeping with the remarks that I have previously made, and if it is adopted I expect to ask unanimous consent to strike out the language that was adopted yesterday, in keeping with the amendment offered by the gentleman from Virginia [Mr. SMITH] where it appears after the word "interest" in the bill.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the Wolcott amendment.

There was no objection, and the Clerk again reported the Wolcott amendment.

Mr. SUMNERS of Texas. Mr. Chairman, if I understand the amendment



from its reading, it puts a limit upon the purchases that may be made by the Federal Reserve banks throughout this emergency. Is that correct?

Mr. WOLCOTT. That is correct.

Mr. SUMNERS of Texas. We hope that the amendment will be defeated, because it puts a limitation upon the total purchases that may be made from now on to the end of the war.

Mr. WOLCOTT. Oh, no. I apparently did not understand the gentleman's question. The language as adopted by the House yesterday would put a limitation on the Federal Reserve holdings by limiting the amount of bonds, notes, and other obligations, which the Federal Reserve could buy directly from the Treasury or in the open market. Of course, it is clear that was not the intent of the committee. It was the intent of the committee to limit to \$5,000,000 the amount of bonds, obligations, and other holdings which the Federal Reserve might buy directly from the Treasury, and my amendment seeks to clarify that.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for a specific question?

Mr. WOLCOTT. Certainly.

Mr. SUMNERS of Texas. Is the language of his proposed amendment that the aggregate amount of such obligations purchased direct from the Treasury shall not at any one time exceed \$5,000,000,000?

Mr. WOLCOTT. It provides that the total of all holdings purchased directly from the Treasury of the United States shall not exceed \$5,000,000,000.

Mr. SUMNERS of Texas. But not at any one time.

Mr. WOLCOTT. Not at any one time. I do not want to mislead the gentleman, because I believe that the clause "holdings purchased" would limit the amount which could be purchased in the aggregate to \$5,000,000,000, the same as the amendment adopted yesterday.

Mr. SUMNERS of Texas. Mr. Chairman, the reason that I feel that that amendment should not be adopted is because it puts a limitation upon the total amount of purchases that may be made during the war. There was some confusion and I was endeavoring to think of something else when this was introduced. I desire to offer an amendment to the amendment, if it has not already been agreed to. There was some confusion as to the parliamentary situation.

The CHAIRMAN. The question before the Committee is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

Mr. SUMNERS of Texas. Is it in order now for me to offer an amendment to that amendment?

The CHAIRMAN. It is.

Mr. SUMNERS of Texas. Then I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas to the amendment of the gentleman from Michigan:

"Provided, however, That the aggregate amount of such obligations purchased directly from the Treasury which are held at any one time shall not exceed \$5,000,000,000."

The CHAIRMAN. Does the gentleman desire to offer that as an amendment to the pending amendment or as a substitute?

Mr. SUMNERS of Texas. I think it should be offered as a substitute.

The CHAIRMAN. The Clerk will again report the amendment offered by the gentleman from Texas as a substitute for the pending amendment.

The Clerk read as follows:

Mr. SUMNERS of Texas offers a substitute for the pending amendment:

"Provided, however, That the aggregate amount of such obligations purchased directly from the Treasury which are held at any one time shall not exceed \$5,000,000,000."

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of the substitute amendment.

Mr. SUMNERS of Texas. Mr. Chairman, this amendment is offered candidly as a compromise between the Smith amendment and what was urged by the Federal Reserve Banking System, as I understand it.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. GORE. There should be no compromise. The original provision of the bill as brought before the House by the committee was right. We made a mistake yesterday. There should be no limit. Therefore the gentleman's amendment should be defeated. The amendment written into the bill should be taken out when the Committee rises.

Mr. SUMNERS of Texas. It is entirely satisfactory to me if you do that.

Mr. McKEOUGH. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. McKEOUGH. I hope the House will understand that if the amendment adopted yesterday is not removed from the bill when the Committee rises there is no limitation as to what the amount may be that the Treasury Department may borrow wherever it cares, and the Federal Reserve may buy through the Treasury or otherwise. Those that promoted this proposal apparently have forgotten this serious possibility: In the event a very heavy issue is offered and there is no response and the market breaks wide open, those existing obligations that are now in the portfolios of the banks, insurance companies, and other fiduciary institutions of the country will suffer untold damage. This amendment has no place in this measure. Neither did the amendment offered by the gentleman from Virginia have any place in it, because it destroys the very thing that some people seek to bring about.

Mr. SUMNERS of Texas. Mr. Chairman, in view of what seems to be the attitude of the gentlemen on the floor I will ask unanimous consent to withdraw the amendment just offered.

Mr. STEAGALL. In the gentleman's time, let me say that \$5,000,000,000 would only finance on the present basis of operation 1 month's Government obligations.

Mr. SUMNERS of Texas. I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, and I shall not object, I want to state to the gentleman from Alabama that is just what we want to avoid. The committee yesterday wanted to avoid the necessity of tying this down, but did so. All I am offering to the committee today is a correction of a very apparent error, and I am offering my amendment to prevent the thing which the gentleman commented upon. So that the financing of the war effort will not be confined to \$5,000,000,000. They will be able to go into the open market and buy as much as they have money to buy.

Mr. STEAGALL. The gentleman fully understands just what was done yesterday, but what the gentleman does now is merely to correct that error insofar as what was intended.

Mr. WOLCOTT. Yes. The House adopted it earlier.

Mr. STEAGALL. I understand the gentleman's position; but let me say this, and I will not say any more, that if this provision is not voted out of this bill the Treasury will not be able to float its obligations through the Federal Reserve System and we will be in great difficulty before the war is over. This should be voted down now, and we should vote out the other one when we get into the House, and this matter will be clear.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS] that he may withdraw the substitute amendment?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the amendment. I hope to disperse some of this cloudy weather. The gentleman from Texas withdrew what he termed a "compromise." It would have been a happy one. The Federal Reserve would have bought the bonds but could not get rid of them. A happy compromise. I congratulate the gentleman for thinking of it. Now we try to take advantage of an error made yesterday in the House. The House expressed itself in favor. We are now trying to remedy their little mistake made in the language. They over here now seem to want to take advantage of that little error so that it cannot be voted in after the Committee rises. Do not let them do it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

The question was taken; and on a division (demanded by Mr. Wolcott) there were ayes 64 and noes 96.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. Wolcott and Mr. McLAUGHLIN.

The committee again divided; and the tellers reported that there were—ayes 94, noes 119.

So the amendment was rejected.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.



The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

**TITLE V—WAIVER OF NAVIGATION AND INSPECTION LAWS**

SEC. 501. During the national emergency declared by the President on May 27, 1941, to exist, for the purpose of securing the most expeditious transportation consistent with safety of men and materials that are necessary to national defense and to reduce delay: in water-borne transportation, provide quicker turn arounds, expedite deliveries, and help to prevent shortages in defense or critical materials, and, when in the opinion of the Secretary of Commerce there is no other reasonable recourse, the Secretary of Commerce is authorized, upon written recommendation of the Secretary of the Navy, and of the Secretary of War, and of the Secretary of the Treasury and of the Secretary of Labor, and of the Chairman, United States Maritime Commission, or any three of the above-named officials, to waive compliance with the navigation and vessel inspection laws of the United States, except laws requiring the division of crews of vessels of the United States into watches, or limiting the hours of labor of seamen on such vessels, but only to such extent and in such manner and upon such terms as he may find after investigation to be necessary or proper for the national defense: *Provided, however,* That the Secretary of Commerce shall not waive compliance with any of such laws to such an extent as will permit the navigation of any vessel in an unsafe condition, nor with the coastwise laws of the United States where the service desired can be supplied promptly by American ships: *Provided further,* That in the exercise of authority granted by this act, the Secretary of Commerce shall waive compliance with any of such laws only by specific rulings for specific occasions, and shall in each case specifically state the particular laws with which compliance is waived and the reasons therefor: *And provided further,* That during the effective period of this act the Secretary of Commerce shall at the convening of each session of Congress, and monthly while the Congress is in session, report to the Congress every action taken by him under authority of this act.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out the entire section 501 and insert on page 13, line 24, a new section 501, as follows:

"SEC. 501. The Secretary of Commerce is directed to waive compliance with the navigation and vessel inspection laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request. The Secretary of Commerce is authorized to waive compliance with the navigation and vessel inspection laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other Government agency whenever he deems that such action is necessary in the conduct of the war."

The amendment was agreed to.

The Clerk read as follows:

**TITLE VI—POWER TO REQUISITION**

SEC. 601. The last paragraph of section 1 of the act of October 16, 1941 (55 Stat. 742), entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States", is amended by deleting subdivision (3) thereof, so that the paragraph will read as follows: "Nothing contained in this act shall be construed—

"(1) to authorize the requisitioning or require the registration of any firearms possessed by an individual for his personal protection or sport (and the possession of which is not prohibited or the registration of which is not required by existing law):

"(2) to impair or infringe in any manner the right of any individual to keep and bear arms."

Mr. HANCOCK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK: On page 14, after line 25, insert a new paragraph, as follows:

"Whenever any machinery or equipment which is in actual use in connection with any operating factory or business and which is necessary to the operation of such factory or business is requisitioned pursuant to the act of October 16, 1941 (55 Stat. 742), the owner thereof shall be paid fair and just compensation, which shall not be less than the difference between the fair market value of such factory or business before and after the taking of such equipment or machinery."

Mr. SUMNERS of Texas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 2208) to further expedite the prosecution of the war, had come to no resolution thereon.

**HOOR OF MEETING TOMORROW**

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

**SUSPENSION OF CALENDAR BUSINESS ON MONDAY, TUESDAY, AND WEDNESDAY OF NEXT WEEK**

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar on Monday, the call of the Private Calendar on Tuesday, and the call of the Calendar of Committees on Wednesday of next week may be dispensed with.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not, can the majority leader tell us what the program will be for next week?

Mr. McCORMACK. On Monday of next week the war risk property insurance bill will be taken up.

Tuesday, the agricultural appropriation bill. After that the civil functions appropriation bill. I do not know whether that will fill the week, but following that will come the legislative appropriation bill.

Mr. MARTIN of Massachusetts. I believe probably that will be about all that can be accomplished in a week.

Mr. McCORMACK. That is my impression and my own opinion.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

**EXTENSION OF REMARKS**

Mr. KEEFE, Mr. ROBSION of Kentucky, and Mr. COSTELLO asked and were given permission to revise and extend their own remarks.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a letter I received and my answer thereto.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole and include therein a letter written by the chairman of the Committee on the Judiciary.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WEISS. Mr. Speaker, I ask unanimous consent to include in the remarks I made in the Committee of the Whole today a statement by Mark Sullivan.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a short editorial from the Detroit News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. GERMANN asked and was given in the RECORD.)

permission to extend his own remarks

Mr. ROLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the San Francisco Chronicle.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ROLPH]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. TENEROWICZ. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD. The Public Printer informs me that the printing of this matter will cost \$225 in addition to the usual allowance. I ask unanimous consent that these remarks may be printed notwithstanding the cost.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. TENEROWICZ]?

There was no objection.

**PERMISSION TO ADDRESS THE HOUSE**

Mr. TENEROWICZ. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the RECORD.









## SECOND WAR POWERS BILL, 1942

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2208) to further expedite the prosecution of the war.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2208, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from New York [Mr. HANCOCK], which was pending when the Committee rose yesterday.

There being no objection, the Clerk read as follows:

Amendment offered by Mr. HANCOCK: On page 14, after line 25, insert a new paragraph, as follows:

"Whenever any machinery or equipment which is in actual use in connection with any operating factory or business, and which is necessary to the operation of such factory or business, is requisitioned pursuant to the act of October 16, 1941 (55 Stat. 742), the owner thereof shall be paid and just compensation, which shall not be less than the difference between the fair market value of such factory or business before and after the taking of such equipment or machinery."

Mr. MAY. Mr. Chairman, I offer an amendment, which is at the desk. I desire to change the form of it to make it a substitute for the amendment offered by the gentleman from New York [Mr. HANCOCK].

Mr. HANCOCK. Mr. Chairman, my amendment is merely a perfecting amendment, and I think it should be heard before the amendment offered by the gentleman from Kentucky.

The CHAIRMAN. The amendment sent to the desk by the gentleman from Kentucky could not be offered as a substitute for the pending amendment. The gentleman's amendment could be offered after disposition is made of the amendment offered by the gentleman from New York.

Mr. MAY. Very well.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the amendment?

Mr. HANCOCK. I would like to be heard briefly, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. HANCOCK. Mr. Chairman, when the requisitioning act was passed last October an amendment was offered by the gentleman from New York [Mr. TABER] and adopted by the House, which would make it impossible for an agency of the Government to go into a man's factory and take out a piece of machinery or apparatus which was essential to the operation of that plant. Without that amendment I do not believe the requisitioning act could have been passed.

In order to be accurate about it, let me read the so-called Taber amendment:

Nothing contained in this act—

That is, the requisitioning act—

shall be construed to authorize the requisitioning of any machinery or equipment which is in actual use in connection with any operating factory or business, and which is necessary to the operation of such factory or business.

Title VI proposes to repeal the Taber amendment. That is all title VI does. I understand the gentleman from Kentucky [Mr. MAY] will offer an amendment to strike out the whole title. I have no objection to the proposition of the gentleman from Kentucky. In fact, I will vote for it, but if title VI does not go out of the bill it should provide for a proper measure of damages. That is what I am seeking to accomplish by my amendment. If the Taber amendment is repealed, it will be entirely possible for an agency of the Government to utterly ruin a man's business and destroy his plant by taking out an essential piece of machinery or all the machinery and leave him with a bare, empty building, or a plant he cannot operate. The Government does not need such vast power. Under the Smith amendment to the Selective Service Act, a plant may be seized, and in that event the owner is entitled to fair rental value, and it may be taken under title II of this bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. MAY. As I recall the requisitioning act, to which the Taber amendment was attached, it also provides that where they found it necessary to requisition personal property that the President may fix a fair value on it, and upon payment of 50 percent of that value they may immediately take possession of it and adjudicate the remainder.

Mr. HANCOCK. That is right. As to the measure of damages, let me call attention to the language of the bill. In the case of requisitioning a piece of machinery or apparatus out of a going factory, the amount paid shall be computed on the basis of the fair market value of the property at the time it is requisitioned. This means that the owner of the plant can be reimbursed only for the value of a second-hand piece of machinery, for it would be second-hand after it had been removed from the plant.

Mr. MAY. That is right.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. ANDREWS. May I suggest to the gentleman that it might be of value if the chairman of the Committee on Military Affairs would summarize a statement on this very point made by the Under Secretary of War?

Mr. HANCOCK. He can do that later. Let me explain briefly what my proposition is. It is to reimburse the owner from whom property is taken in this manner: You all know that in condemnation proceedings to acquire real estate we have a rule known as severance damages; that is, when a part of a parcel of

land is taken the measure of damage is the difference between the value before and after the taking. For example, you might have a building lot and a street opening was ordered through the middle of it, leaving you with two small parcels which would be practically valueless. It would be obviously unfair to pay the owner merely the square foot value of the property taken on the basis of the value before the property was cut up. On the principle of severance damage he is entitled to the difference between the value of the entire piece before and after the taking of a part of it. Now, I have tried to apply that principle here. My amendment provides that the measure of damages shall be the value of the plant before and after the taking of the machinery out of it. If you take all the machinery out of a plant the owner will have left nothing but a storehouse, and if you take essential apparatus, he must close down. It is obviously unfair to hold that the owner of a plant has received full compensation when he is paid merely the second-hand value of the machinery taken from it. I want him to be fairly compensated. That is all I am attempting to do here. If somebody has a better formula I shall be glad to accept it. My amendment merely applies to condemnation of personal property the principle of severance damage now recognized in the condemnation of real estate.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. MAY. The point I am trying to emphasize is that with the Taber amendment in it there can be no delay in anybody's possession of the property.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, this is a very important matter. I ask unanimous consent that the gentleman from New York may proceed for 5 additional minutes in order to state his position.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Before the gentleman begins, will he be good enough to give us the citation from which he quoted in reference to the measure of damages?

Mr. HANCOCK. It is in the Requisitioning Act, which is found in the report of the committee on page 12. The language reads:

The President shall determine the amount of the fair and just compensation to be paid for any property requisitioned and taken over pursuant to this act and the fair value of any property returned under section 2 of this act, but each such determination shall be made on the basis of the fair market value of the property at the time it is requisitioned or returned, as the case may be.

In other words, the measure of damages is the value of the property after it is detached from the plant, without regard to its real value to the owner.

Mr. SUMNERS of Texas. I did not want to interrupt the gentleman's statement; I merely wanted the citation.



Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. THOMASON. There was a long and full discussion of this question on the floor when the property-seizure bill was up, and it seemed to me that the so-called Taber amendment was a sound proposition both in law and in practice. Will not the gentleman therefore point out just what change this makes in that law and why the necessity for it? Because it sounded to me like a very sound provision.

Mr. HANCOCK. I quite agree with the gentleman. The House was overwhelmingly in favor of the Taber amendment, and I doubt if the Requisitioning Act could have been passed without it.

Mr. THOMASON. Then why is it necessary to change it?

Mr. HANCOCK. I am not in favor of changing it at all. This title of the bill repeals the Taber amendment, and for that reason some fair measure of damages must be set up. The Government and all its agencies have been able to point out only two instances where they had any difficulty in acquiring the machinery they wanted. One was the case of a plant in Norfolk, Va., from which they wanted a gear cutter. The other was a boring machine some place else; I do not remember where. Those were the only two items called attention to, neither of which was of any great importance in the national defense program.

Mr. HINSHAW. Will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from California.

Mr. HINSHAW. With the Taber amendment in the present law, it prevents the taking of any piece of machinery where it is necessary to the operation of a plant?

Mr. HANCOCK. That is correct.

Mr. HINSHAW. The gentleman's amendment permits the taking of that machinery, but it provides for just compensation for the whole value to the plant of that particular piece; is that correct?

Mr. HANCOCK. That is correct. If the Taber amendment is repealed by this bill, I am attempting to provide an adequate measure of damages to the owner of the property from whom machinery is taken. That is all I am trying to do. I am not defending title VI at all. I am perfectly willing it shall be repealed; in fact, I will vote for it; but if title VI stays in the act, I want some provision in there for adequate, fair, just compensation to a man whose property is seized. I have no pride of authorship. If someone else has a better plan to properly and adequately compensate a man whose property is seized, I am perfectly willing to support it. This is the best I can do, and I submit it for your consideration.

Mr. McLAUGHLIN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. HANCOCK].

Mr. Chairman, I respect the zeal of the gentleman from New York, a member of the subcommittee, and I have every respect for the motive which prompts him to propose this amendment.

The gentleman from New York has outlined to you the Taber amendment, which provided that if the Government should seek to take a piece of machinery out of a plant because it is necessary for war purposes, the owner of the plant could successfully resist the effort to take it if he could establish that the piece of machinery was necessary in the operation of his plant. In other words, it forbade the Government from taking a piece of machinery which is necessary in the operation of a private plant.

That provision was enacted before we entered the war. We are now in the war. The amendment which we have proposed would eliminate the Taber amendment and would empower the Government to take a piece of machinery, a tool, or equipment out of a factory if the Government needed it for the prosecution of the war, regardless of whether the owner of that factory needed it or not. We place the needs and the necessities of the United States Government in the prosecution of this war above the rights of the individual, the thing which we are doing all the way down the line.

We propose to allow the measure of damages which the owner of that property will be permitted to recover to remain just as it always has remained under the fifth amendment to the Constitution of the United States. So in that event, if a piece of property, if a machine, if a tool, if a piece of equipment is taken out of a factory, the owner of that equipment is entitled to just compensation under the Constitution of the United States just as any person is entitled to just compensation if his property is taken by the Government.

I cite the case of Campbell against the United States, which quotes *Seaboard Air Line Railroad v. The United States* (261 U. S. 299), which I referred to yesterday or the day before in connection with the attempt to amend section 2 having to do with the measure of damages to be allowed for the taking of real and personal property, and the House sustained the Committee on the Judiciary. This is a case in which property was taken. The Supreme Court said:

Thereupon he became entitled to have the just compensation safeguarded by the fifth amendment to the Constitution—that is, the value of the land taken and the damages inflicted by the taking—such a sum as would put him in as good a position pecuniarily as he would have been if his property had not been taken.

Now, that was with respect to real property.

The case of *DeLaval v. United States* (284 U. S. 61) makes it applicable to personal property.

Mr. HANCOCK. Will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from New York.

Mr. HANCOCK. The gentleman will recall that the Assistant Attorney General who appeared before us stated that, in his opinion, the limit of damages for the taking of machinery out of a plant would be the value of the machine itself, and I think that is in the report. It is the opinion of the Attorney General anyway.

Mr. McLAUGHLIN. I am unable to find that in the report. With all due respect to what the gentleman says, the law is the law regardless of who says what it is or what it is not, and I am attempting to expound the law, if the gentleman will permit me to do so.

Mr. HANCOCK. That is in the most general language. I want to get down to specific cases.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska [Mr. McLAUGHLIN]?

There was no objection.

Mr. McLAUGHLIN. Mr. Chairman, the rule at the present time is as I have cited it from a decision of the Supreme Court of the United States with respect to the measure of damages to which a person whose property is taken by the Government is entitled.

The gentleman from New York seeks to amend existing law to provide that—

Whenever any machinery or equipment which is in actual use in connection with any operating factory or business and which is necessary to the operation of such factory or business is requisitioned pursuant to the act of October 16, 1941, the owner thereof shall be paid fair and just compensation, which shall not be less than the difference between the fair market value of such factory or business before and after the taking of such equipment or machinery.

The fallacy of the amendment offered by the gentleman from New York [Mr. HANCOCK] is the old fallacy of logic with which we are all familiar, namely, the post hoc ergo propter hoc fallacy—after this, therefore on account of this.

The judge of the Federal court would be compelled, if the amendment offered by the gentleman from New York [Mr. HANCOCK] should become law, to award to an owner whose piece of machinery is taken not less, by way of damages, than the difference between the value of the factory or business before the machinery is taken and after it is taken, regardless of what elements may have caused the difference in value. There is nothing in his amendment that provides that this difference must necessarily result from the taking of this machinery. How would you measure the damage? By comparing the value of the factory or business a month before or a year before the taking with their value, respectively, a month after or a year thereafter? It is so wide open that no judge could possibly construe it.

But it may be contended that it is implied in the Hancock amendment that it means the value immediately before and the value immediately after the taking. If it means immediately before and immediately after the taking, then we may by congressional action be enriching the owner of the plant or business beyond anything he even seeks.

If you apply this rigid rule, the Federal judge will be compelled to determine the value of that plant or business immediately before the taking and immediately after and to award to the owner, in damages, the difference between those two values.



Let us look at the proposition. Perhaps the plant owner might make an adjustment of work after the machinery or equipment is removed, by which he will eventually be better off for having had that property taken out of his plant. Nevertheless, he will receive damages equal to the difference in value of the plant before and after the taking. Under the Hancock amendment the court would be compelled to award him not less than that amount. If, later, he should go across the way and make a subcontract with another plant for the cutting of gears, or for the performance of whatever function the machine in question performed, he might ultimately be benefited financially in the operation of the plant because the piece of machinery was taken out. Yet, despite the fact that he might be better off so far as the plant operation is concerned, he would be entitled to recover these fixed damages which the court under this provision would be compelled to award to him if he could meet the requirements of the Hancock amendment.

Mr. Chairman, the amendment under consideration withdraws from a Federal judge the right to permit the jury to consider all the facts and circumstances and elements which properly enter into the determination of the question of damages. This amendment offered by the distinguished gentleman from New York—and he has offered it with great zeal and earnestness; I am sure we shall all agree to that—seeks to tie the hands of the Federal judge and prevent him from applying the constitutional rule of just compensation. It would substitute another rule. It would compel the court to give to the property owner, under these circumstances, damages in an amount not less than the difference between the value of the plant or business before and after the taking, although the owner of the property taken might have suffered only temporary damage to his plant or business and in the long run might even have received a benefit rather than a damage.

We should adhere to the long-established rule of damages for the taking of property by the United States Government under which the owner is entitled to just compensation in accordance with the fifth amendment of the Constitution.

Mr. Chairman, certainly this amendment should be defeated.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

Mr. Chairman, the rule that is attempted to be laid down in this amendment offered by the gentleman from New York [Mr. HANCOCK] would cause the adoption of an entirely new standard of damages in the Federal courts.

Mr. HANCOCK. If the gentleman will yield, may I call his attention to the fact that this is the rule of damages in cases involving condemnation of real estate?

Mr. CELLER. But it is here applicable to personal property, and there may be a big difference between personal property and real estate.

Mr. HANCOCK. This is the first time we have ever permitted the condemnation of personal property.

Mr. CELLER. The rule of general damages sought to be laid down by the Judiciary Committee would be just compensation, according to the Constitution. The offered amendment would add to such constitutional standard. The amendment would set up as a scale of damage namely "not less than the difference between the fair market value of such factory or such business before the taking and its value after the taking of such equipment or machinery." The amendment would open the door extremely wide to any and all kinds of damages, direct, proximate, indirect, or what have you.

Suppose a man has a scale, or a pump, or a welding machine which is extremely essential to the operation of his business. If the Government takes that pump, or scale, or welding machine away from him—if the Government condemns it, to use that term—it may be that the props will be taken from under his business. What would happen under this rule of damage? The man could get the value of his good will. What is good will? That is very difficult to fathom. I do not know how to plumb the depths as to damages concerning good will. It might involve the type of his business, the years he was in business, the value of trademarks and trade names, the value of other stock that might become obsolete, the value of the lease, or the payment of bank loans. The man might proclaim, "If you take this away from me, I cannot continue my business, and I will be compelled to pay the bank loans I have made. I therefore ask you to pay my bank loans. My inability to pay is a proximate result of the taking."

It is utterly inconceivable that the Government should be placed under such a tremendous burden at this time. In peacetime I would say, "Yes; give them all those damages, whether it be with reference to personal property or real estate." But you cannot do that in wartime. The sacrifices must be made. Millions of men are making sacrifices all over the country and business must make its sacrifice. The amendment offered by the gentleman from New York would say, "No; the businessman does not have to make that sacrifice. You must pay more than the value of the machinery, you must pay the value of that business hurt by the taking."

It is very unfortunate that the business may be greatly affected and profits and good will diminished, but that is unfortunate, I repeat, and the businessman and the factoryman must be willing to make that sacrifice just as the man in the trenches makes the sacrifice.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. TABER. Does not the gentleman realize that the only reason a man is entitled to any compensation is because it is not considered fair that the man whose property is taken should bear the whole burden? Now, is it any more nearly fair if a man's business is entirely put out as a result of taking something to give him compensation for any one thing?

Mr. CELLER. I respectfully differ with the gentleman. The man drafted

may have his business entirely wiped out. He cannot continue in absentia. He gets no compensation for the destruction of his business or factory. Furthermore, we must adopt two different standards, one in peacetime and one in wartime, and that is the very quintessence of this situation. In wartime we cannot adopt the type of damage involved in the amendment of the gentleman from New York.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. LUTHER A. JOHNSON. As I understand the situation from the statement of the gentleman from New York and also the statement of the gentleman from Nebraska, the Supreme Court has defined in principle the measure of damages which one is entitled to under this situation or under this state of facts.

Mr. CELLER. That is correct.

Mr. LUTHER A. JOHNSON. Whereas the gentleman's amendment would put it in a strait jacket and arbitrarily determine what the measure of damages should be, and, as has been pointed out, if the measure of damages is fixed, this might give greater benefits than a man is entitled to under the law.

Mr. CELLER. He would encourage the Government to seize the machinery or the pump or the welding machine, because he would have a greater advantage under that process than if he would continue his business.

[Here the gavel fell.]

Mr. SUMMERS of Texas. Mr. Chairman, I ask for recognition.

Mr. Chairman, this is an important matter. I hope to be of some assistance in getting before the members of the Committee just the situation. With all deference I believe there is some confusion as a result of the statements that have been made.

Now here is the citizen's guaranty of a square deal. It is in the Constitution. This is the language:

Nor shall private property be taken for public use without just compensation.

Who should want more than that—nor shall private property be taken for public use without just compensation.

There is no difference between wartime and peacetime insofar as the duty of the Government and the necessity of the Government to respond in just compensation when private property is taken. Since the beginning of the Government, by judicial construction, measures of fair compensation have been established. It is sought to disturb to some degree at least the long line of judicial construction, to disturb it by legislative enactment, presumably, to give to the citizen more than his just compensation, as has been construed by the courts acting under their obligations.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Texas. As soon as I complete this statement.

The gentleman from New York [Mr. HANCOCK] gave an illustration of just what happens in an attempt to apply this constitutional guaranty in a given situation. If the Government, for instance, as he points out, takes an entire



tract of land, it would pay for the entire tract of land, assuming there was no other interest involved, but if, as the gentleman from New York illustrated, it took three or four acres out of the middle of a man's place and damaged the rest of it, the Government would pay the value of the land taken and also pay for the damage done to the rest of it.

Now, I make this statement: The courts, in construing this provision of the Constitution, have held that it applies to personal property just the same as it does to real property. If this statement is incorrect, I would like to yield for a correction.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. HANCOCK. I do not recall that up until this act was passed there has ever been any authority for the Government to requisition or condemn personal property, and I do not know that there are such cases.

Mr. SUMNERS of Texas. I cannot discuss what my friend knows or does not know, but the gentleman from Nebraska [Mr. McLAUGHLIN] just cited a case a moment ago holding as I have indicated, and it is bound to be so. I mean it is perfectly absurd that you can apply an adequate rule of just compensation when you are taking real estate and are excused from applying it when you are taking personal property. I mean it is perfectly ridiculous that that could be done.

Now, let us see where we are getting. Why should anybody want more than that? I make this statement: If a peculiar damage is done to a factory by taking out a particular piece of machinery which cannot be supplied, that matter is submitted to the jury and to the court, evidence is heard, and the court is bound, under the mandate of the Constitution, to give just compensation. Why should anybody want more?

Now I yield to my friend from New York if I have misstated either the law or its application.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. I yield; yes.

Mr. HANCOCK. I simply want to call the gentleman's attention again to the language of the Requisitioning Act which limits the amount of recovery to the actual value of the property taken and—

Mr. SUMNERS of Texas. No act of requisitioning and no act that this Congress can pass can limit the right of recovery guaranteed to the citizen by the Constitution of the United States. Is not that right?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection? There was no objection.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. BUCK. When does personal property become a fixture on the real estate?

Mr. SUMNERS of Texas. Oh, that would take too much of my time.

Mr. BUCK. But is not that the point here?

Mr. SUMNERS of Texas. Oh, I could not take the time to go into that.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. EBERHARTER. Is it the contention of the gentleman from Texas that the bill as reported by the committee, without the amendment of the gentleman from New York [Mr. HANCOCK], provides that if the pecuniary loss suffered by the owner of personal property is greater than the fair market value of the machine that has been taken, the courts will consider the pecuniary loss suffered by the owner?

Mr. SUMNERS of Texas. They have to. I do not care what you write in the statute, what rule of damages you prescribe here you could not make the compensation less than just compensation. You may by legislation prescribe a rule that would make the Government pay more than just compensation, but you cannot make it pay less. I repeat that. You may by legislation provide that the Federal Government must pay more than fair compensation, but you cannot effectively provide that it shall pay less.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. HINSHAW. In view of the gentleman's statement, which I believe may be understood to mean that when a piece of personal property is removed from a factory, the owner thereof is entitled to some measure of severance damages, would not that make that portion of the law now in existence unconstitutional?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. CRAWFORD. I submit this question. Suppose under the Requisition Act the Government tenders the fair market value of this property, without this other additional damage we are speaking about, then under the constitutional and the Requisition Act, the owner is then forced to go to court to get over and above the value stated in the Requisition Act.

Mr. SUMNERS of Texas. Surely.

Mr. CRAWFORD. Then suppose the owner has no money with which to go to court, he is then deprived of his rights, is he not?

Mr. SUMNERS of Texas. Of course.

Mr. KEFAUVER. Mr. Chairman, the subject that we have now before us goes further and is much more important than the mere problem of taking a machine out of a manufacturer's plant, which is the type of issue we have largely discussed here on the floor. The Taber amendment in my opinion was based on the idea that we could do business as usual. It was based on the idea that we were in a time of peace, and that the continuation of nondefense industry came before the carrying out of our war effort. Since the time of the adoption of the Taber amendment, our country has been thrown into war, and the winning of the war becomes paramount, rather than the operation of some industries

that have no connection with the war. The Taber amendment, and the Hancock amendment, are based on the assumption that everybody, so far as possible, is going to come out even in this war. They are based on the assumption that everybody who has something taken away from him is going to be compensated in full. This is very important, because the principle applies not only in these cases but in many others. If you open up this avenue, just visualize the type of legislation that you will have presented to you, and presented to you with a forceful argument. In my district there were several silk mills running and doing a good business and making a good profit. They had considerable silk on hand and could have operated profitably for quite a while when the Government came in and said, "You cannot use it, the Government needs it and will take your silk," and the plants have had to close down. There are many tire and automobile dealers, and hundreds and hundreds of other types of industries and businesses, that have had to be closed in order that the American people and the Government can carry on its war effort. Now, if you come here in one particular type of case and say this man is going to be compensated for profits for speculative investment, for goodwill, and for everything that he may be able to get into a claims bill in court, you are going to have all these other types of cases presented to you, and you know what that would lead to. The Government could not stand the expense, our war effort would be impeded, and so I say that the Taber and the Hancock amendments are pre-war measures based upon the idea of doing business as usual, and we know that that time has long since passed.

If the Government is to take some little machine out of an industry, and if that industry is to be compensated to the full extent of the damage that has been done to it, in case that machine is not replaced, there would be no incentive on the part of the owner to try to find some substitute, or to have this article manufactured in some other industry. He might be able to find a substitute, whereas the War Department might not be able to find one. Certainly the American people should not be penalized in that way.

The point raised by the gentleman from New York [Mr. HANCOCK] is that the requisitioning act says that the President shall fix fair and just compensation for the property that is taken. Of course, fair and just compensation is going to mean taking into consideration all of the elements of damage, including severance damages, just as it does in the case of real estate. I think the record of the War Department and of the Government shows that it has been very liberal and considerate in cases of this kind. If that person is not fully satisfied, he has a right to appeal to the Court of Claims to have his damages fixed, and his damages will be fixed on the remedy based on the fifth amendment to the Constitution of the United States, as the gentleman from Texas has pointed out.

[Here the gavel fell.]



Mr. KEFAUVER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. KEFAUVER. Regardless of the type of property that may be taken anywhere in the United States, whether by a railroad company, a private utility, or by a State under its right of eminent domain, the only compensation that is paid is just compensation, as defined by the fifth amendment to the Constitution of the United States. The Government in this situation may need personal property. Are we going to place an additional element of damage on our Government in time of war over and above the amount of damage that would be paid by a State or by a private electric or railroad company in the event, in the exercise of the right of eminent domain, they should condemn property? I do not believe the Members of the House would sanction that for a moment. I am sure the American people, who want to do everything possible to win the war, would not stand for it.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. HANCOCK. I wish the gentleman would point out the difference between the principle of severance damages as applied to real estate and as applied to personal property. If it is proper in one case, why is it not proper in the other?

Mr. KEFAUVER. I will say that certainly the owner of any personal property taken will be allowed severance damages, and that will be allowed without adoption of the gentleman's amendment. But the gentleman's amendment would go further than that and allow to be brought in speculative, uncertain, and indefinite types of damage.

Mr. HANCOCK. No. I have no pride of authorship in the amendment. If the gentleman will rephrase it, I will be glad to have him do it.

Mr. KEFAUVER. We do not need to rephrase our Constitution. The courts under the Constitution say you are allowed severance damages. What else does the gentleman want? Just compensation is guaranteed by our Constitution, and the courts have construed that to include severance damages.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I wonder if we cannot agree upon some reasonable limitation of time for debate?

Mr. HOFFMAN. Mr. Chairman, we have just permitted this unanimous-consent request for additional time. You will remember what happened yesterday. Two Members spoke in opposition to the Smith amendments and received extra time. Then 30 or 40 of us were cut off with 2½ minutes at the end. That is not cricket.

Mr. SUMNERS of Texas. I would just as soon stay here all night, but I thought we might agree on some limitation.

Mr. Chairman, I ask unanimous consent that all debate on this matter under consideration close in 40 minutes.

Mr. MAY. Mr. Chairman, reserving the right to object, I would like to make this statement to the gentleman from Texas. I have an amendment on the Clerk's desk that will follow immediately after this amendment. The pending amendment merely fixes a measure of damages for taking pieces of property out of an operating plant. My amendment, if adopted, would strike out all of title VI, which would restore the Requisitioning Act in its present form as passed by the House last August, with a measure of damages in it. I would like to have it understood that I wish to discuss my amendment, and I would like to have 5 additional minutes in which to discuss it.

Mr. RABAUT. Mr. Chairman, I am going to ask for the regular order.

The CHAIRMAN. The regular order is demanded. Is there objection to the request of the gentleman from Texas?

Mr. HINSHAW. Mr. Chairman, I object.

Mr. SUMNERS of Texas. Mr. Chairman, I move that all debate on the Hancock amendment and all amendments thereto close in 45 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair desires to read the names of the Members who were standing at the time the limitation for debate was fixed. Mr. HOBBS, Mr. KILDAY, Mr. MAY, Mr. HINSHAW, Mr. TABER, Mr. CRAWFORD, Mr. JENNINGS, Mr. GWYNNE, Mr. FITZPATRICK, and Mr. HOFFMAN. Are there any of the gentlemen whose names I have read who do not desire recognition?

Mr. MAY. Mr. Chairman, I wish to withdraw my request.

The CHAIRMAN. Are there any other gentlemen whose names have been called who do not desire recognition on this amendment?

Are there any gentlemen who were standing desiring recognition on this amendment whose names have not been read?

The Chair hears none, and the gentleman from Alabama [Mr. HOBBS] is recognized for 5 minutes.

Mr. HOBBS. Mr. Chairman, I cannot accord to the Hancock amendment that support to which its objective entitles it, because of the fact that I think the standard set by that amendment is too Procrustean. It stipulates only one mode of admeasurement. In many cases other modes would be fairer. But I cannot sit here silently while the chairman of the Committee on the Judiciary, my beloved friend, and other speakers against that amendment impugn the honesty of the people who have felt the sting of the injustice caused by maladministration of the law of eminent domain and therefore seek a remedy, by asking repeatedly, What more do you want than just compensation?

The answer to this question is: Nothing. They want just compensation—nothing more. The point is that they are not getting just compensation. You gentlemen seem to miss that point entirely.

For one thing, the time element works in favor of the Government, but against

the property owner. The Government takes possession whenever it is desired, instantly. But is the owner paid the agreed price immediately? Oh, no. Payment is quite another matter. It may be made months or even years later. The Supreme Court says in the Jacobs case that in such cases, in order to make up just compensation, interest should be added. Is this done? No, indeed.

Here is a farmer down in Alabama, here is a manufacturer in Nebraska; somebody from Washington goes there with the great power of the Federal Government behind him and says, "We will pay you so much for your land," or "for this piece of machinery." The owner says: "If my Government needs anything I own to help win this war it may have it. When do you want it?" The answer may come: "Right now." The owner replies: "All right; it will be hard on me to deliver possession immediately, but I'll do it. When am I to be paid?" "Just as soon as possible," he is told. But how soon is possible? Four, six, eight, ten, twelve or more months. Then when payment is requested repeatedly, and finally the suggestion that interest should be paid because of the unreasonable delay, he is shown the pamphlet containing the statute, and is asked if there is anything in that law authorizing the payment of interest. Of course, there is not. So the agent says: "How, then, can I pay you interest? I should like to but I can't." I have known hundreds of cases like that. They insist in the field that there is nothing about interest in the pamphlet law, but the Supreme Court of the United States, speaking through Mr. Justice Hughes in a unanimous decision in the Jacobs case, says that interest is one of the best ways to measure the value of that lag in payment, and should be paid as a part of "just compensation" guaranteed by the Constitution.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I shall be delighted to yield to the gentleman from Nebraska, the distinguished chairman of our subcommittee.

Mr. McLAUGHLIN. If I thought the gentleman suggested that the measure of damages provided under the Constitution and which will obtain if this amendment is not adopted just as it obtains in the second title amendment, the gentleman's own amendment, were not adopted, I should not be taking the position I take; but I call the gentleman's attention to the fact that in the Seaboard Air Line case with which the gentleman, I am sure, is familiar, the Supreme Court has laid down the rule that interest is a just part of compensation; and the Congress has permitted by its own action to the persons when the court has not granted interest to go into the Court of Claims and assert a claim for interest, and recover that claim for interest.

Mr. HOBBS. I will say in answer to that just exactly what I said when I was talking to my beloved friend personally. The gentleman is speaking from theory and not from a knowledge of the facts. I will say to the gentleman that if he will point out to me any case, any case—



one case—in which interest has been allowed by the agent administering this act, I will eat my hat, buy the gentleman a new one, and support him in toto on this proposition.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly; I am happy to do so.

Mr. McLAUGHLIN. May I say to the gentleman that the ultimate determination as to damages is not made by the administrators, but in a condemnation case is made by the courts; and the Federal courts are all controlled by the pronouncements of the Supreme Court; and the pronouncement of the Supreme Court in the Seaboard Air Line case is just as I have outlined it to the distinguished gentleman.

Mr. HOBBS. I admit that the distinguished gentleman has correctly stated the law, but I have known cases wherein the courts incorrectly declared the law, however, 9 out of 10 of these eminent-domain cases never get into court—they are settled in the field. I repeat my challenge to the gentleman. Show me one instance where interest was ever paid as a part of "just compensation." There are thousands of cases in which interest was due in accordance with the decisions of the Supreme Court, but never paid. The same thing is true of taxes, rents, moving costs, and so forth.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Iowa [Mr. GWYNNE] is recognized for 5 minutes.

Mr. GWYNNE. Mr. Chairman, I believe this argument illustrates very well the futility of trying to legislate on something that can be and has been settled much better in the courts.

Mr. Chairman, it has been pointed out many times that no artificial rules can be laid down which will determine the damages to be awarded in every individual case. The courts, however, in their experience, have adopted certain rules that are well illustrated in eminent domain cases. For many years governments have been taking real property, and they have adopted rules for the measurement of damages which can be applied to each individual case and will afford as nearly substantial justice as anything that can be suggested here. It should be borne in mind that although there has not been as much experience in the courts in the taking of personal property, nevertheless even that is not new. We did in the last war, I believe, have authority to take personal property, and we have in other wars taken personal property, and the courts have found no difficulty in assessing the damages, being guided by rules heretofore laid down principally in cases involving real estate.

Mr. Chairman, I fear if we adopt the Hancock amendment we are going to adopt a restriction which will in many cases result in an improper measure of damages. If the gentleman's amendment had provided the following it would then state what is now the law, and what in my judgment should be the law, and it would be a very good amendment:

Whenever any machinery or equipment which is in actual use in connection with any

operating factory or business and which is necessary to the operation of such factory or business is requisitioned pursuant to the act of October 16, 1941, the owner thereof shall be paid fair and just compensation.

There the amendment should end. That should be the law, and I think it is the law unless as someone has pointed out some rather unfortunate language in the original act of October 16, 1941, has attempted to overrule prior court decisions.

Mr. HINSHAW. Will the gentleman yield for me to quote that language?

Mr. GWYNNE. No, I am going to quote it.

When we passed the original act we had in it the Taber amendment which prevented the taking of a single piece of property which might result in closing a factory; therefore there would be less occasion under that law to ever consider the question of severance damages, as we call it, in real estate. There was inserted in the law at that time this provision:

But each such determination shall be made on the basis of the fair market value of the property at the time it is requisitioned or returned.

The question is whether or not that original language restricts the Court and would prevent it from adopting the rule suggested by the gentleman from New York if that were a proper rule in a particular case. It is my suggestion that the amendment offered by the gentleman from New York [Mr. HANCOCK] be voted down. In my opinion, it will not meet the difficulty that exists here. The conference committee might give some thought perhaps to the language I have quoted from the original act.

Mr. KEFAUVER. Will the gentleman yield?

Mr. GWYNNE. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. Does not the gentleman think the unfortunate language in describing fair and just compensation is in connection with the value the President determines rather than stating a criterion for the Court of Claims to fix fair and just compensation under the fifth amendment to the Constitution after the matter reaches the Court of Claims?

Mr. GWYNNE. That may be true. The point I make is I am afraid the amendment offered by the gentleman from New York will not meet the difficulty and, in fact, may make it worse.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Michigan [Mr. HOFFMAN] is recognized.

(Mr. HOFFMAN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HOFFMAN. Mr. Chairman, the gentleman from New York [Mr. CELLER] and the gentleman from Tennessee [Mr. KEFAUVER], members of the committee, said there was a different rule of damages to be applied in war than in peacetimes. I understood the gentleman from Texas [Mr. SUMNERS], chairman of the Committee on the Judiciary, to say that the rule is the same and that the Constitution protected us during all times. Am I correct?

Mr. KEFAUVER. Will the gentleman yield?

Mr. HOFFMAN. For a correction.

Mr. KEFAUVER. I desire to correct the gentleman's statement insofar as I am concerned. I said that during wartime we should not try to pile on additional damages to those existing in peacetimes.

Mr. HOFFMAN. I thank the gentleman. May I call the attention of the gentleman from Texas, chairman of the Committee on the Judiciary, to his own argument. He referred to the amount paid in condemnation proceedings for real estate, and correctly stated the rule. He said if the Government took 2 acres out of 10, it must pay fair compensation or the difference between what was left and the fair market value of the property before it was taken. Those are not the gentleman's exact words, but it is the rule, as I understand it, for the assessment of damages in condemnation cases. Is that correct?

Mr. SUMNERS of Texas. Substantially.

Mr. HOFFMAN. If I understand the situation correctly, the difficulty in this case with reference to condemnation of personal property grows wholly out of the fact that under the original act the Government pays the fair value of the property that is taken. There is a difference between that and the rule suggested by the gentleman from Texas, chairman of the Committee on the Judiciary.

In the illustration cited by the gentleman from Texas, if the Government takes 2 acres of a 10-acre tract, under the law as it stands today, it must pay me full compensation, and that compensation the jury is instructed by the judge to fix by determining the difference between the fair market value of what I have left and the market value of the whole tract as it was before the Government took the 2 acres. That has always been the rule of compensation applied by the State and Federal courts in condemnation proceedings.

This act provides for the condemnation of personal property, and in the original act it is provided that the President "determine the amount of the fair and just compensation to be paid" for the property.

If the person whose property is taken is not satisfied with the amount so fixed, then the act provides that he shall receive 50 percent of the amount, and that then he—

shall be entitled to sue the United States in the Court of Claims or in any district court of the United States \* \* \* for an additional amount which, when added to the amount so paid to him, he considers to be just and fair compensation for such property.

Fair and just compensation for what? For what he has lost? Oh, no. Fair and just compensation for the property taken.

It may well be argued that fair and just compensation for the property taken, as, for example, a machine, is the fair market price of such machinery. That is not the same thing as the difference between what the factory from which the machine may be taken is worth after the machine has been taken out and what it was worth with the machine in it.



Everyone must realize that, even if the owner of a tool or a machine in a factory were paid the full original purchase price for a machine which might have been used for some years, if that machine could not be replaced, or if, because of its taking, the business was destroyed, such payment would not give to the citizen the compensation indicated by our Constitution.

The Constitution provides, as the gentleman from Texas said, that the property of the citizen cannot be taken without due compensation. In the condemnation cases concerning real estate heretofore before the courts the rule has been that due compensation should be paid for the taking. That is an entirely different proposition, an entirely different rule for the assessment of damages than the "fair and just compensation for such property," that is, the particular article taken.

Under the rule now applied for the taking of personal property, all the Government would have had to pay would be the value of the acres it took. If a man had 40 acres, half of it upland, worthless sand, as happens sometimes, and 20 acres of good bottom pasture land, and we take the bottom land, and we would pay for the bottom land, and we would pay for the consequential damages to the tract as a whole, because he could not sell the rest. He could not sell the worthless land on top and his buildings without loss, because their value had been lessened by the taking of the bottom land—separate, the value of the two tracts would be less than the value of the whole.

Under this provision, you could take one piece of machinery out of a factory. Under the language of the original act, is it not true that all you would pay would be the market value of that piece of machinery? I ask the gentleman from Texas if that is not the conclusion?

Mr. SUMNERS of Texas. I may say to my friend I do not have in mind the language of the original act, but I know you cannot do that under the Constitution.

Mr. HOFFMAN. Under the Constitution? The trouble is that in recent years our Constitution has not meant the same thing as it did in years gone by.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, the language which is causing the confusion in this bill is that standing in the act of October 16, 1941, which authorizes the President to determine the compensation to be paid for personal property requisitioned, and which is qualified as follows:

But each determination shall be made on the basis of the fair market value of the property at the time it is requisitioned or returned, as the case may be.

A few moments ago I asked my dearly beloved friend, the eminent jurist from Texas [Mr. SUMNERS], whether or not he believed the Constitution provided that in determining compensation for the taking of this personal property the rule would be the same as in the taking of

real property and that severance damages would be paid. He said he thought that the rule as to personal property should be the same as the rule as to real property, but the law already on the statute books states that the determination shall be made on the basis of the fair market value of the article taken at the time it is requisitioned or returned.

I would not want the gentleman to state that he does not know whether or not this present act would be held constitutional in the event his own statement concerning severance damages in connection with real property is true. But I should like to ask the gentleman whether or not he believes this law I have quoted is unconstitutional.

Mr. SUMNERS of Texas. I agree with the gentleman from Iowa [Mr. GWYNNE] in that I believe that in conference something should be done about this language.

Mr. HINSHAW. I thank the gentleman.

Mr. SUMNERS of Texas. That is what I think about it; but, may I say, and this is all I am trying to say, is legislation ought not to put a greater requirement upon our administrative agencies in the payment of damages than is required by constitutional provisions effecting just compensation.

Mr. HINSHAW. What we are considering here is the sorry plight of the small businessman. He is the fellow whose machinery and property will be taken, not that of the big businessman who has the defense contracts. The big defense contractor is the one who will get this machinery from the little man. Let all of us here who profess love for the small businessman see that he gets a square deal out of this, because he is very slowly but surely being ruined by the process we are going through at the present time, while the defense contractor is being enriched. He is the man whose machinery will be taken. It is his employees who will be thrown out of work and forced to move to wherever the big defense plants are located. I believe this House ought to consider this matter sympathetically and not merely say that a pound of flesh shall be taken, no more and no less.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Kentucky.

Mr. MAY. May I call the attention of the gentleman, in connection with the problems of the little businessman, to the fact that the records of the Government now show that 95 percent of all the war contracts have gone to less than 100 corporations?

Mr. HINSHAW. Of course, and this is what will enable all those corporations which have defense contracts absolutely to cut out the balance of the small businessmen of the United States, to put them completely out of business. All they have to do is to want a piece of machinery the little businessman has, which is necessary to his operation, and they can shut down his plant. He should get fair compensation, he should get just compensation, as the gentleman says. Let us not stick to the legal technicalities that can be woven around a proposi-

tion of this sort. Let us not requisition and take the pound of flesh and pay for the pound of flesh so taken; let us pay the full amount of that just compensation which the gentleman from Texas admits should be paid.

[Here the gavel fell.]

(Mr. HINSHAW asked and was given permission to revise and extend his remarks in the RECORD.)

The CHAIRMAN (Mr. O'NEAL). The Chair recognizes the gentleman from Texas [Mr. KILDAY].

(Mr. KILDAY asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. KILDAY. Mr. Chairman, this bill was originally reported by the Committee on Military Affairs. At the time it was before us it received very careful consideration. Of course, that was before the declaration of war.

I call your attention to the fact that in the committee and here on the floor at the time of the adoption of the property requisition bill the argument in favor of it was that it was for the purpose of taking over second-hand machine tools and implements of that kind, the market for which was being cornered by two or three concerns in the United States. It was argued here at great length that such was the primary purpose of this law.

You will recall that under section 9 of the Selective Service Act the Government already had the power to requisition the entire plant of a concern which failed to take an order and go ahead with the manufacture of defense materials, so this was to be a stopgap, to cover those cases in which they did not want the whole plant but only some item of machinery. Upon that representation the House insisted upon placing in the bill the Taber amendment against the requisition of a necessary machine in use in a going plant.

After war was declared we asked the Under Secretary of War to give us his recommendation as to legislation needed to carry on the war. Mr. Amberg came before the committee and asked that the Taber amendment be removed from the property requisition bill. I asked him on that occasion to give us a list of the times they had been impeded in the administration of the requisition law by the Taber amendment. You will find that, although the act had been in effect for 60 days, he could not show us a single instance in which this amendment had caused any concern to the War Department, so it is not of the primary importance that would be indicated by this debate. However, in time of war I am willing to permit the requisition of items of property even though they be part of a going factory. When that is done we should give the owner the protection provided by this amendment.

This is the point I want to make. This bill having come from the Committee on the Judiciary, we have had debate as to what the courts will do in its administration, but the bill on its face indicates that it is administered in the first instance not by the courts but by the administrative agencies.



When it was before our committee we knew that the administrative agencies had been using their power as a club over the people whose property they sought to take. It was reported that they were telling them that they would fix whatever price they pleased and the owner could either take it or go to court to secure the true value and wait for all over 50 percent of the amount offered, until the matter could be adjudicated. Because of this our committee put a provision in the bill that they should never offer less than the fair market value. That went out in conference, and the Taber amendment was kept in the measure. Remember, the administrative agency determines the property that they are going to take, and, in addition, the administrative agency creates the situation which requires the taking of the property. If they would go ahead and spread the business among the small contractors the necessity for protecting a going plant would never arise. They are in a position where they can create the situation by failing to distribute the business to the small plants, and having created that situation they are able to go into those plants and take whatever portions of the machinery they may desire. When we put this measure of damages in the bill, operation on the administrative agency in the first instance, we will create the incentive to spread the work. We will leave the Government free to secure the property needed and still protect the property owner.

It is unfair to put a citizen in the position of dealing with an administrative agency which is not strictly regulated in its procedure to requisition property. He is either going to have to take the price which the agency fixes or he is going to be put in the attitude of suing his Government in wartime for the amount which he claims his property is worth. Still it is insisted here that this measure be left in such condition that the administrative agency can say to the little contractor in your district and in mine, "You will either take what we offer you or we are going to cut the offer down to 50 percent of the true value and let you go into court in wartime and sue your Government for what you contend should be the price of your property." This should never be considered as the proper procedure in such cases.

The Hancock amendment is thoroughly reasonable and fair, and there is no reason why this Congress should not place it in the bill. It is simply a matter of securing absolute basic justice for those against whom these provisions are going to be used.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman from Texas yield?

Mr. KILDAY. I yield to the gentleman.

Mr. SAUTHOFF. The gentleman from Texas has hit the nail squarely on the head. We are told now, "You can go to the district court and through the circuit court of appeals." But the average farmer cannot pay a thousand dollars to go through the circuit court of appeals.

Mr. KILDAY. And in addition to that, as I have said, he is put in the attitude of suing his Government in time of war. His sons are probably fighting in the south Pacific, while he is a plaintiff in a suit against his Government, squabbling about the price he shall get for a piece of his property.

Mr. Chairman, I hope the amendment will be adopted.

The CHAIRMAN (Mr. O'NEAL). The gentleman from New York [Mr. TABER] is recognized for 5 minutes.

Mr. TABER. Mr. Chairman, I do not see why there should be expected to be a different rule adopted in time of war from the rule in peacetime as to compensation for property. If property is to be compensated for at all, it should be compensated upon the basis of the damage that is done to the man who loses it and it should be done on the basis that the Government which is taking the property is in a better position to pay that compensation than the individual who owns the property is to lose it.

If property is taken, under the statute that has been adopted and which went into effect last October, as to individual items of personal property that are a necessary part of a going concern or a going business, those people ought not to be limited and ought not to be expected to be limited to just the bare value of the property, and the language of that statute is such that it might very readily be construed by the court, regardless of previous decisions, to be establishing a new rule of procedure.

Rules of procedure can always be established by the legislative body with reference to things that are provided for in the Constitution, and the small businessmen are pretty apt to be high and dry.

Now, who are these people who are going to be affected by this provision? They are the little fellows, the small businessmen who have been having a terrible struggle to keep going. They are not only apt to be thrown out of business but they are apt to be left high and dry as a result of the language that already exists in the act that was passed as the result of a new procedure being established. Are we going to be helpful toward them or are we going to go the other way?

I am sure it was the object of the amendment offered by the gentleman from New York [Mr. HANCOCK] to be helpful, and I hope the amendment will prevail.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] is recognized for 5 minutes.

Mr. CRAWFORD. Mr. Chairman, some of the remarks I purposed making have already been made by the gentleman from Texas [Mr. KILDAY]. I am very much in favor of the way he submitted the matter, and I congratulate him on his doing it. In the event the Hancock amendment is defeated, I understand there will be one offered by the gentleman from Kentucky [Mr. MAY] to strike out, and I expect to support that amendment. An observation along this line has been made by a friend of mine to this effect:

I think this matter of requisitioning, as we have proceeded with it, more or less, is a move directly against that fellow who still is able to carry out his God-given ability to create and maintain a little industry in this country, and I believe that the Requisitioning Act, as it stands, and is about to be amended here, throwing out the Taber amendment, provided you also defeat the Hancock amendment, will put the small businessman up against a situation which in many cases will absolutely destroy his economic operations. As an illustration of what we do in other cases, I think you will find that under date of December 13 and December 22 last the Reconstruction Finance Corporation, operating under its broad authority, issued certain insurance guaranties which covered those who might suffer war damages 100 percent, thereby taking care of their business in toto, you might say. If they lose, the Government is to hand them a check; but here is the proposition where apparently, unless we adopt the Hancock amendment to preserve the little fellow's business structure under conditions where he cannot operate, we pull a major piece of machinery out of his factory and leave him to do the best he can.

Awhile ago I interrogated the gentleman from Texas [Mr. SUMMERS], chairman of the committee, on a question which has fully been discussed by the gentleman from Texas [Mr. KILDAY] and the gentleman from Wisconsin [Mr. SAUTHOFF]. We put this little fellow in a position where he may resort to the courts, if he has the money—if he has the intestinal fortitude—to go and ask for what is his just compensation under the provisions of the Constitution; but I think, if we want to do the fair and square thing with a victim of this requisitioning procedure, we will adopt the Hancock amendment, and I have taken this opportunity to so express my support of that proposition.

Mr. JENNINGS. Mr. Chairman, I rise in support of the Hancock amendment. I think it is necessary to clarify these vast powers conferred on the President, and in order to protect the rights of the citizen to his property. The power of eminent domain is an attribute of sovereignty. It is a far-reaching power. There is nothing in the Constitution that sets up machinery or rules of procedure to effectuate that purpose. In other words, there is no self-executing constitutional provision providing for the taking of private property for public use. The statutes of every State and the statutes of the Federal Government provide a procedural method for the taking of private property for public use. Under the terms of this act, if the President undertook to take property, say, in my State, the State of Tennessee, I assume that he would not send a company of soldiers to a man's plant and, at the point of a bayonet, wrench such machinery as he may deem to be required for public defense, but he would proceed under the terms of the Federal law, according to the acts of Tennessee, with reference to the condemnation of property for public



use. It so happens that in my State there is no statute providing for the condemnation of personal property. Those statutes relate to the condemnation of real estate, and in order that the citizen might not be injured by that drastic power those statutes, as do the statutes of most of the States, provide that when land is taken for public use the condemner, either the State, a county, a municipality, or a quasi public corporation, shall pay the actual cash value, the fair and reasonable cash value of the land taken in the condition it was when it was taken, considering the uses to which it was put, the improvements upon it, and then, in order to protect the owner, those statutes go further and provide that the owner of the property shall be awarded such incidental damages as the remainder of his property from which this part taken has been carved has suffered by reason of the taking.

Now what does the Hancock amendment do? It provides that if the Government goes into a small manufacturer's plant and takes out a piece of machinery or a number of pieces of machinery, without which he cannot operate his plant, the Government shall pay not only the value of the machinery taken, but such incidental damages as are inflicted upon his plant from which that property has been taken. You cannot put any other construction upon it, because the Hancock amendment provides that the measure of damages for the person from whom the machinery is taken shall be the difference in the value of his plant prior to the taking of the machinery and the value of the plant after the taking of the machinery. It is conceivable that under these broad powers—and I want to support this bill in its entirety—the Government might go into a plant and take 90 percent of the machinery. That man's business would be ruined. He might have on his books contracts that he desired to fulfill. He could not replace the machinery taken. His good will is gone. He is rendered powerless to perform his contracts. He loses the profits that would have accrued to him from the performance of those contracts. And unless this amendment is adopted the entire value of a plant thus dismantled is limited to the value of the part thereof actually taken. A plant of the value of \$100,000 may be virtually confiscated for the value of a piece of machinery taken that the Government says is worth only \$5,000.

We cannot afford to say that we are at war and, therefore, we can and will ignore the property rights of the citizen. War or no war, the Government must be just, we must by law protect the property rights of the citizen and the time to do it is now by the adoption of this amendment.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The question was taken; and on a division (demanded by Mr. McLAUGHLIN) there were ayes 49 and noes 34.

Mr. McLAUGHLIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. McLAUGHLIN and Mr. HANCOCK to act as tellers.

The committee again divided; and the tellers reported there were—ayes 91, noes 77.

So the amendment was agreed to.

Mr. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: On page 14, line 11, strike out all of title VI beginning in line 11, down to and including line 25.

Mr. MAY. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Chairman, I am offering this amendment to strike out title VI in its entirety for a number of reasons, but two principal reasons. First, it is wrong and ought not to be in the bill. Second, there is no necessity for the authority proposed in this title.

I want to speak very briefly about how this matter came up. I was very much for the Hancock amendment, and I think what I am going to say now should be listened to by every committee of this House. This legislation was originally presented by the War Department to the House Military Affairs Committee, as it should have been presented. We conducted long hearings and gave careful consideration to it and reported the bill in its present form, as the law now is. After that was done they seemed to have a new notion downtown somewhere and they got together a select committee of three in the Department of Justice—one named by the Bureau of the Budget, one named by the O. P. M., and one named by the Department of Justice—and they took before that committee—not an arm of the Congress, not speaking by virtue of the authority of the people, not a representative of the people—but they took to that committee this statute, with a dozen others—I think they said yesterday 17—and they said they wanted to set up that committee in order to expedite matters; an indictment of the whole Congress on a charge of incapacity. Then they bring up here a bunch of scrambled eggs and hand that to the great Judiciary Committee of the House, whose ability, patriotism, and common sense is not questioned by anybody. I desire to say in passing that I am glad they did not hand that mess of eggs to me. I would not want to have handled it. If they had brought it in its present form to the Committee on Military Affairs, we would have more than likely sought to separate the subjects and asked reference to the proper committees. But they come in here and undertake to put through the House of Representatives pell-mell, hell-bent, a mass of legislation, without careful consideration by the committees which originally framed the original acts. That is reason No. 1.

No. 2 is that when this statute is enacted, if it is, and if this provision remains in the law, all of these arguments

about just and adequate compensation, about the rules of procedure, and those rules of procedure will not go to the courts of this country where a man has his counsel and is represented by his legal representative and has a jury of his peers to pass upon his rights. It will be handled by some little fellow in a yellow uniform with brass buttons, or some bureau employee bearing rigid instructions from Leon Henderson or some other bureaucrat, and he will go down to the cotton mill in the South and he will say, "We are in war." That patriotic southerner, who has spent a lifetime building an industry, will say, "Well, if we are in war I will yield to the uniform, because I know better than not to do it, because I meet immediate condemnation by all of my neighbors unless I do it." Then this brass-buttoned chap will say "I think this machine is worth \$20," the junk value, notwithstanding the fact that it may be a very vital part—the heart, the jugular vein—of a plant that is making \$100 a day. They take it out. Then the man is ruined. His business is gone, his plant goes down, and hundreds of regularly employed workers lose their jobs.

I want you Members of the House of Representatives, when you come to vote on this motion to strike this out, to remember that we have heard hours and even weeks of debate here with hearts bleeding, with tears almost coming down the cheeks of Members, in their desire to protect the small businessman of this country.

Then when we look at the record we find that less than 100 concerns in this country have been given 95 percent of all the war contracts. Some of these days I am going to come on to the floor of this House with a revelation that will show you the vast profits they have made, and some of you will be astonished and astounded at the things that will be in that report. After that all happens, after this Congress acts on this bill, that will not save the man whose property has been taken under coercion. I want to save the little businessman, the 165,000 of them who are in this country, and you Republicans and you Democrats who are talking about politics this year with a congressional election want to remember that I am putting you on record today as to whether you are sincere in your lamentations for the small businessman. Now let us see if they have to have this act, and I am not going back into a consideration of the original act, because it provides that they can get the machinery by the President's issuing a swift and quick Executive order which beats court procedure in any State or Federal jurisdiction in all the land. He can lay down the value a man is to receive for the property, and when they lay down 50 percent of the value of the property as determined by the President. When they do that the man still has the right to go into the Court of Claims, file his claim, and litigate for the balance of the value of his property. Yet the Government has the property it wants and has had it from the beginning.

This House passed on this question once, on last August 13. I do not know



whether it was on that noted 13th, the lucky day of Woodrow Wilson, or not; but I do know that after the House Military Affairs Committee had reported this bill and after the Senate conferees had forced the House conferees to take it out of the bill—I am talking about the Taber amendment—then we came back to the House of Representatives for instructions, and what did this House do? By a vote of 254 to 51 they said they were for the Taber amendment. Judge Patterson, Under Secretary of War, one of the greatest jurists in the country, a man who has been an arbiter of justice for all these years on the United States bench, a man who knows what is right and will do it every time, called me on the telephone after we went to conference and said:

I think you had better agree in the conference report to retain the Taber amendment. We can get along with it.

Then he wrote me a letter under date of August 18 in which he pointed out the number of votes by which the House had expressed its views. Here we are, however, with a bill coming from the committee headed by one of the greatest jurists in the country, one of the finest Members of Congress, which asks us to retract and abandon everything we stood for on August 13 for the protection of the small businessmen of this country. I want now, if I may, Mr. Chairman, to pay a little attention to one of the arguments made by the distinguished chairman of the Judiciary Committee.

He said, and he stated it correctly, that when you take a strip of land through a man's farm, take out the heart of it, leave two little strips on the sides, the farm is rendered worthless; that your measure of damages ought to be the value of the farm as a whole, because the incidental damage resulting from the taking of the strip sought to be taken actually destroys the value of the farm.

What are you going to do when you take a little engine of a mill that shuts it down and discharges 500 employees down South in a cotton mill or up East in a dairy, or somewhere else? You paralyze that business and take away the jobs of thousands of honest, innocent workers, and put them and their families on charity. That I do not want to do, and I devoutly hope this Congress will not do that.

[Here the gavel fell.]

Mr. McLAUGHLIN. Mr. Chairman, it occurs to me that this is a time for clarification rather than emotion. We have listened to the address by the distinguished chairman of the Military Affairs Committee, and we have been interested in his energy and action in presenting it. Let us get down to a discussion of what his amendment would do.

The bill reported by the Judiciary Committee, title VI, provides that the Taber amendment to the requisitioning act shall be struck out. The gentleman from Kentucky has moved that title VI be stricken out, which would reinstate the Taber amendment. Now, that is the issue before the House. I cannot rise to heights of emotion over that, and I am not going to attempt to. We are all interested in protecting the rights of prop-

erty, we are all interested in protecting the small businessman. I think I have as good a record in that respect as anyone could have.

I have no doubt that the gentleman from Kentucky has a good record also. There is no point in attempting to impugn the motives of anyone in respect to the protection of the small businessman in this matter. That is not involved here at all.

What is involved? When we passed the requisitioning act the gentleman from New York proposed an amendment which was adopted providing that no property, no machinery, no equipment could be taken out of a man's plant under the requisitioning power of the United States Government if it were established that that piece of equipment or piece of machinery is necessary or essential to the operation of that man's plant. That was in peacetimes.

It has developed that in a few instances there have been men who have refused to cooperate with the Government where the rights of a government in war are paramount to the rights of the individual. Where the Government has established that it is necessary to the essential conduct of the war that a piece of machinery in a man's plant be taken over by the Government, where the operator of the plant may as instances appear in the record through recalcitrance refuse to cooperate—there have been very few instances of that—the Government under this amendment would be permitted to go in and take that man's property. Compensate him for it? Of course, but take it.

The May amendment would take from the United States Government the power to do that and would place the rights of the individual in this wartime high above the rights of the Government of the United States in the prosecution of this war. I submit that we are all interested in the preservation of property rights and of individual rights, but when the time comes that this war is lost because of insistence upon property rights, individual rights as contrasted with the Government's sovereign right to do what is necessary to prosecute this war, those individuals who complain of their rights will find when the war is lost that they have no rights of which to complain.

Mr. MAY. Will the gentleman yield?

Mr. McLAUGHLIN. I will be glad to yield to the gentleman.

Mr. MAY. Does the gentleman contend that under existing law the President cannot fix a value of this piece of property by Executive order and immediately requisition it subject to payment of the balance?

Mr. McLAUGHLIN. The gentleman is raising another question. This is a question of the operation of constitutional government. The gentleman would probably be one of the first to complain of the exercise of Executive power. We are exercising legislative power, we are proceeding in a normal, constitutional fashion. Does the gentleman complain of that? I do not believe he does.

Mr. HANCOCK. Will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from New York.

Mr. HANCOCK. May I call the gentleman's attention to the fact that under the Smith amendment to the Selective Service Act whenever the Government needs machinery or a plant it can take that machinery or plant and pay a fair rental for it. It can take the whole plant and pay rental for it.

It is a part of the Selective Service Act, known as the Smith amendment.

Mr. McLAUGHLIN. That would not constitute a valid reason against the enactment of this title and the striking out of the Taber amendment. We are at war, and it is the purpose of this title to meet the war situation. I submit that the May amendment should be defeated. [Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. MAY].

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 67, noes 71.

Mr. MAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. McLAUGHLIN and Mr. MAY to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 86, noes 91.

So the amendment was rejected.

The Clerk read as follows:

#### TITLE VII—POLITICAL ACTIVITY

SEC. 701. Subsection (a) of section 9 of the act of August 2, 1939 (53 Stat. 1148), entitled "An act to prevent pernicious political activities," is hereby amended by adding in the second sentence after the word "thereof" the words "except a part-time officer or part-time employee without compensation or with nominal compensation serving in connection with the existing war effort, other than as a member of a Selective Service and Training Board, or other than in any capacity relating to the procurement or manufacture of war material."

With the following committee amendment:

On page 15, line 4, after "activities," insert "as amended."

The committee amendment was agreed to.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 15, line 8, after "effort," strike out "other" and all of line 9.

Mr. WADSWORTH. Mr. Chairman, title VII of this bill relates, as its title indicates, to the application of the so-called Hatch Act to various and sundry Federal employees. As drawn and as it appears before us, the effect of the title would be to include within the coverage of the Hatch Act all the members of the Selective Service draft boards.

I imposed on the committee, a 5-minute talk during the general debate on this bill expressing my opposition to this particular provision. My amendment would strike out of this title line 9, in which the Selective Service draft boards are mentioned and thus free them from this menace of being included under the provisions of that law.



As I look upon it, and doubtless most of you agree with me, the fundamental purpose of the Hatch Act was to establish, if possible, some curb or restraint upon the political activities of a vastly expanded and ever-expanding bureaucracy, a bureaucracy manned with Federal employees paid out of the Federal Treasury, each one of whom along with his family has a vital interest in the maintenance of his job, and most of whom from time to time, other things being equal, are inclined to interfere in elections in such a way as to assure to themselves the continuity of those jobs.

I believe the Hatch Act was passed because our bureaucracy has grown to giant dimensions in the last 10 years or so, and it was a justifiable attempt on the part of the Congress to see to it that our free elections from this point on are not poisoned, as it were, by the political interference of political jobholders.

So far so good. What I protest against is that the members of the Selective Service draft boards, 22,350 of them, scattered all over this country, shall be included in that category. To my mind, any such thing is unjustifiable. Fundamentally they are not jobholders in the ordinary, accepted sense of the word. Many of them have been drafted figuratively by their neighbors to serve on these boards, serving without compensation of any kind, not even their expenses being paid. They spend hours and hours at this work. They are all residents of the communities in which the respective draft boards are situated. They are close to the people.

One of the virtues of the Selective Service law is that fundamentally it is self-administered. It is self-working, because its operation springs from the communities, not from Washington. The members of these boards are straight, decent citizens who sacrifice much.

I have made inquiry of the Selective Service System to ascertain if there have been any scandals and how many members have been removed for improper behavior. The most I could find is that perhaps 2 out of 22,000 have been removed. Of course, there have been complaints against a judgment rendered by a board here and there upon occasion. The human mind is not infallible, and some mistakes in judgment may have been made. Thus far, however, this system has run free from scandal. We ought to be proud of it.

These men do not belong in the category of political job holders in any sense. For us to pass this legislation is the same as pointing the finger of congressional suspicion against this great number of splendid men, causing them deep in their hearts to resent any such imputation as would be carried against them should this provision remain in the law.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. COCHRAN. They were appointed by the governors of the various States regardless of the politics of the governor; is not that correct?

Mr. WADSWORTH. Yes.

Let me say in closing, if I may, suppose one of them becomes unduly active in politics. How long do you think the community will stand for it? You know perfectly well that the community, which watches every board with lynx-eyed attention, will see to it that there is a complaint lodged against that man, and out he goes. I cannot conceive of one of them attempting to use political interest or favoritism in the selection of soldiers. They have not done it yet and they will not do it.

[Here the gavel fell.]

Mr. HANCOCK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, those who were here when the Hatch Act was passed know very well that we were aiming at a specific evil. We were trying to make it impossible for men occupying positions of authority to use that authority for political purposes. What particularly concerned us at that time was the misbehavior of officials of various relief agencies, particularly the W. P. A., who coerced needy persons to make political contributions and vote in a certain way. It was a very great evil.

There is no group of individuals that now has such vast power over the lives and the livelihoods of the young men of the United States as the members of the draft boards. If the Hatch Act has any merit whatever—and I think it has—it should be made to apply to the members of the draft boards. We want to avoid not only evil but the appearance of evil. I am not attacking the gentlemen who are sitting on the draft boards, neither am I taking it for granted that men in politics are unworthy of sitting on the draft boards, but I believe it will shake the confidence of the people of this country in the integrity and disinterestedness of the draft boards if we permit candidates for office and local political leaders to sit on the draft boards. Their motives and nonpartisanship are sure to be suspected.

It is not necessary to call upon officeholders or men active in politics to fill the ranks of the draft boards. There are plenty of independent, honest citizens able and willing to serve.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from North Carolina.

Mr. BARDEN. How does the gentleman justify putting these men in the category of Government employees?

Mr. HANCOCK. The language of the bill makes them Government employees, so far as the Hatch Act is concerned.

Mr. BARDEN. Was not that the purpose of the Hatch Act?

Mr. HANCOCK. A member of a draft board is a part-time officer or a part-time employee without compensation. That is the way he is designated in the language of title 7.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. MARCANTONIO. Unless this amendment is defeated, what is to prevent a member of a draft board in a city such as New York from acting as a dis-

trict captain for any political party or participating politically in any district elections?

Mr. HANCOCK. The gentleman is correct, and that is what we wish to avoid. This title is not the result of any sudden impulse. This provision was considered in the Senate; it was considered in the subcommittee and in the full committee. It was regarded as a protection to the people of the United States and to the draft boards themselves, and in order to maintain public confidence in the draft boards we felt that the members should not be candidates for office, should not be officeholders, and should not be active in politics.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman from New York.

Mr. WADSWORTH. The gentleman recalls, does he not, that a representative of the Selective Service Committee appeared before his committee and begged the committee not to do this, and that the Attorney General of the United States also stated before your committee that it was not necessary and hoped it would not be done?

Mr. HANCOCK. It so happens that the Judiciary Committee does not permit itself to be dictated to. It has its own responsibilities.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. COOLEY. Was any case called to the attention of the committee that indicated that any member of the Selective Service Board had been actively engaged in politics?

Mr. HANCOCK. Hearings on this title consisted solely of a statement made by a colonel or a major in the War Department.

Mr. COOLEY. What was that statement?

Mr. HANCOCK. The gentleman will find it in the hearings. He asked that it be taken out of the bill.

Mr. COOLEY. Did he charge that members of the Selective Service Board had been engaged in political activity?

Mr. HANCOCK. No; there is no such charge, but we wish to make such a thing impossible. We want to avoid the appearance or the possibility of corruption in the administration of the Selective Service System.

Mr. COOLEY. Does not the gentleman agree with the gentleman from New York [Mr. WADSWORTH] that this provision inserted in this bill casts reflection upon the integrity of these men who are rendering a very great and patriotic service?

Mr. HANCOCK. No; it simply means that if a member of a board wishes to run for office he must resign before he becomes a candidate. We do not want to make it possible for a member of a draft board to use the power he has as a member of such a board for political purposes, and that is all this does.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield to the gentleman.



Mr. SACKS. The gentleman from North Carolina asked if any statement was made as to whether in any case there has been any politics. In my district two boards have already been removed because men on the boards were actively engaged in politics, and they found one board where deferments were made because of political affiliations. Major Hershey had to remove the members of those boards. I found another case in my district where a man ran for office in that locality and he was forced to be removed because he would not resign voluntarily when he ran for office. That is the fact because I had neighbors in that district complain to me saying, "If we do not vote for that man our sons will be sent to the Army."

Mr. HANCOCK. And where such conditions as that prevail people lose confidence in the whole system.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. HINSHAW. I am not quite certain I understand the scope or the effect of the Hatch Act and this amendment in relation to it. Can the Hatch Act itself prevent a man who is a member of a draft board from running for local office within a State?

Mr. HANCOCK. If this title is adopted; yes. At least that is my opinion.

Mr. HINSHAW. In other words, a member of a draft board could not run for a State, city, or county office if he was a member of a draft board?

Mr. HANCOCK. Not unless he resigned, although there is a doubt in my mind whether the Hatch Act extends to officeholders not paid in full or in part with Federal funds.

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from New York [Mr. WADSWORTH].

Mr. Chairman, the purpose of the bill we are now considering is "further to expedite the prosecution of the war." I cannot for the life of me see why it is necessary to include within the provisions of the Hatch Act those men in each and every one of our communities who are serving voluntarily, who are serving faithfully and who are doing their duty for the benefit of the people of the United States, the draft boards. Who asked for this anyway? I looked to see, and I find that the Attorney General when he appeared before the committee said that he thought this provision in the Senate bill should be removed. I also wanted to find out from the Selective Service System what they thought of the provision in the bill. The officer representing the Selective Service System, Major Keesling, said, "I, personally, definitely, am of the opinion that the provision of the Hatch Act which we have been discussing should not be made to apply to members of local selective boards."

Personally, Mr. Chairman, I am not willing to stand here and say to those men in my district, regardless of whether they are Republicans or Democrats, "We cannot trust you," or say to them, "You are going to be so corrupt as to do something in a political way affecting the

draft." The application of the Hatch Act to the members of the draft boards is not necessary and is unjust.

I think the amendment of the gentleman from New York should be adopted, regardless of what I may think of the Hatch Act in its other provisions. The members of the draft boards are one class to which, clearly, it should not apply.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that debate upon this amendment close in 10 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. VORYS of Ohio. Mr. Chairman, I wish to emphasize two points in support of this amendment. The Hatch Act exempted those who have great political and governmental authority, the heads of departments, the President, and others. It exempts them because it is presumed that in some way they are not dependent on their jobs.

Mr. HANCOCK. Will the gentleman yield for a correction?

Mr. VORYS of Ohio. Certainly.

Mr. HANCOCK. They are exempted because they are policy makers for the administration.

Mr. VORYS of Ohio. That may be the primary reason they are exempted, but the fact remains that although they have great authority they are permitted political activity because they are presumed not to be worried about their jobs. It is inherent in the Hatch Act that we permit those who have vast authority to engage in political activities. The same thing should apply to these members of the draft boards. It is true that they have important governmental authority, but they do not rely on that for their jobs, and, therefore, for the same reason that we exempt higher officials we should exempt those whom we are sometimes inclined to think of as lowly officials, although they are not. We should exempt them not because they have no authority but because it is presumed that they will use it wisely and as Americans.

One other point, and that is that the gentleman's amendment leaves in the resolution under the Hatch Act all those who in any capacity have relation to the procurement of war material or the manufacture thereof, even though they are serving without compensation or with nominal compensation. I hope the amendment will be adopted.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, the proposals of the gentleman from New York [Mr. WADSWORTH] usually command a great deal of respect and have a great deal of merit, but in this instance I am forced to disagree with him, because I am apprehensive about situations that exist today. If there is any group of men serving in any Federal agency who should be divorced from politics, it is that group that administers the Selective Service Act. I do not think that any man who has been affiliated with political activity should consent to serve on a selective service board, even though appointed. The possibility for connivance is so great that he should hesitate to lend himself to a situation of that sort, and when my good friend the gentleman from North Carolina [Mr. BULWINKLE] says that he

is sure that no one who serves on these boards would lend himself to political activities or connivance I say that he is not acquainted with politics as politics is practiced in certain sections of this country. In my local communities there have been serious charges; indeed, there have been, as my colleague the gentleman from Pennsylvania [Mr. SACKS] stated, removals from selective service boards because of political activity and because of connivance with local political leaders.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY of Pennsylvania. Yes.

Mr. MAY. Does the gentleman understand if this amendment is not adopted the enforcement of violations of the law will be placed in the courts instead of the selective service board, which the House committee intended should administer it?

Mr. BRADLEY of Pennsylvania. No; I do not agree that would be so. The duty of the committee is to make sure that these selective service boards throughout the country will not be tainted with political favoritism, and, whether a man is a Democrat or a Republican, I think he should agree that if there is one thing we must put on a plane above politics, it is the machinery for inducting young men in this Nation into the Army of the United States.

I voted against the Hatch Act, and I am rather proud of the fact that I did, but we have that act on the statute books, and if there is one group that should be under the provisions of the law to prevent participation in politics, it is those who administer the Selective Service Act, inducting men into the military service.

Mr. KEFAUVER. Mr. Chairman, I am very hesitant about rising to speak on this amendment. But to follow my own conscience I must disagree with the position taken by the majority of the committee. I would not do so except for the fact that I made my position plain in the committee at the time the bill was under consideration. I hope the amendment of the gentleman from New York [Mr. WADSWORTH] will be adopted. The reason I feel so strongly about the matter is that our whole selective service set-up is based on the plan of local responsibility. If local responsibility is not going to keep this thing clean and out of politics and above board, then we are in a very bad plight.

In the first place, you cannot with satisfaction legislate about when a man is or is not in politics. If you are going to shift the responsibility from local people, from the citizens who are going to require that these boards be kept clean and that politics and partisan matters be kept out, and send that duty up to Washington for enforcement, then gradually, but surely, you are going to have a lessening of interest insofar as the local people are concerned. I think on the whole the governors of the States, in selecting these men, have done a splendid job on a non-partisan basis. As the gentleman from New York [Mr. WADSWORTH] said, if there is any politics in the draft boards the local people would rise up in arms and the newspapers would see that they were removed. In those instances that were mentioned they have been removed.



So I think you will weaken the spirit and value of responsibility when you take the responsibility from the local people and try to shift it to a bureau in Washington, especially where that bureau already has too many jobs to do.

Mr. EDMISTON. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. EDMISTON. Do you not think that we will lose the services of many valuable, patriotic citizens if this is not adopted?

Mr. KEFAUVER. We will, indeed. The record shows we have 1,059 members of appeal boards, 32,000 local physicians, 22,350 local board members. Those are all good, patriotic citizens. They are in there to render patriotic service. I certainly would not suggest that we would have to put them under the Hatch Act in order to keep them getting their boards into politics.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Kentucky [Mr. CREAL] is recognized for 2½ minutes.

Mr. CREAL. Mr. Chairman, if you want to put patriotic services of the members of the local boards up to be sniped at by every disappointed registrant who was not deferred—in his imagination, and imagination only, he may even sincerely believe that the cause of his failure to be deferred was political, when at the same time no man on the board either knew or gave a continental what his politics were. You know that when you give this man a gouge at the members of the selective board on other grounds, other than the cold facts of his case, you have subjected the patriotic services of that board to investigation and inquiry, and even though it does not amount to anything, yet there will linger a suspicion, and those members will get off that board, and should do it. I would if I were one of them, the first time any man came down and even hinted that some man was given his status by reason of his politics. Appeals from local draft board decisions should be on the cold facts of the case and not political.

During the World War I never heard of one single man, either Democrat or Republican, ever complain that he was sent away because of his politics. If any man has no more political sense than to think that the place for him to promote himself to get political office is to serve on this board, you need never worry about that man holding office. I have seen a few men who rendered patriotic, loyal service that afterward became candidates, and they beat the fire out of him before he got started. Do not worry about that man's political activities. Board members have more political sense than to think they can use politics on a draft board. The boards are doing patriotic service without pay and need no legislation pretending to regulate something they are not doing. It is a reflection on them, and the amendment should be adopted that removes that unjust reflection.

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The amendment was agreed to.

The Clerk read as follows:

TITLE VIII—COMPENSATION FOR CERTAIN  
CIVILIAN DEFENSE WORKERS

SEC. 801. Section 40 of the act of September 7, 1916 (39 Stat. 750), entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, is hereby amended by adding the following paragraph at the end thereof:

"The term 'employee' also includes any person in the protective services engaged in civilian defense, who has been duly appointed as such by an officer or agent of the United States acting under lawful authority. In the event that any such person renders his services on a voluntary basis or for compensation amounting to less than \$100 per month, for the purposes of computing the amount of compensation for death or disability, he shall be regarded as having received compensation for his services at the rate of \$100 per month: *Provided*, That no compensation shall be paid in respect to the death or disability of any such person in any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received, or is entitled to receive similar benefits for injury or death: *Provided further*, That the Commission may establish new and utilize its existing regional offices, utilize the personnel and facilities of other governmental agencies, and delegate thereto such authority as may be necessary, for carrying out the provisions of this paragraph."

Mr. SUMNERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: On pages 15 and 16 strike out all of title VIII of the bill, beginning on line 12, page 15, down through and including line 13 on page 16.

Mr. SUMNERS of Texas. Mr. Chairman, this is an amendment which I am authorized to offer in behalf of the Committee on the Judiciary.

Briefly, this title VIII deals with voluntary organizations, individuals, and so forth, in the various communities of the States engaged in community defense, like fire wardens and people of that sort. This bill provides that in the event of injury, persons not on a salary shall be dealt with from the standpoint of Federal compensation as though they were employed at a salary of \$100 a month.

If I may state briefly, the committee gave very serious consideration to this proposed legislation, and reached the conclusion that these activities in the communities are very fine things from every standpoint. These patriotic citizens joining these organizations primarily for protecting the communities in which they live is a very fine thing, a fine example of private citizens willing to do community service without expecting anything thereafter, directly or indirectly, from the Federal Government.

I believe we will all agree that that is the sort of spirit that must grow in America if we have a chance to become fit to win this war. We do not want to quench that spirit, to put out that fire. If there should be great damage in any

particular community, we can recognize that later on, and something may have to be done about it. But the time is not now. Everything heading up here in Washington is movement in the wrong direction. Instead we ought to be moving all the governmental responsibility we can back into the States and give their community subdivisions all the responsibility they can discharge, so that the Federal Government can better attend to the Federal business.

I yield back the remainder of my time.

Mr. CELLER. Mr. Chairman, supplementing what our distinguished chairman has just indicated to you, I would like to give you some idea of the results of keeping title VIII in the act. In my city of New York, for example, there are something like 185,000 air wardens and probably another 150,000 assistants to these air wardens, an entourage of fire watchers, bomb squads, rescue squads, decontamination squads, drivers, messengers, sanitation groups, repair squads, road, sewer, and water squads. I have here a chart of a suggested local civilian-defense organization of the O. C. D. It names the various volunteer groups that shall participate in the activities of the O. C. D. and lists labor organizations, trade associations, patriotic societies, fraternal, civic, educational, professional, and youth organizations, church groups, women's and veterans' organizations. There would be literally millions of so-called Federal employees who are affiliated with these various organizations and entities and who would thus come under the compensation system of the Government. They would include boards of trade, chambers of commerce, Y. M. C. A.'s, Y. W. C. A.'s, Knights of Columbus, Jewish welfare boards, the Masons, the Odd Fellows, the Royal Arcanites, the Boy Scouts, the Girl Scouts, all sorts of charitable groups, all sorts of welfare organizations, the American Legion, the Veterans of Foreign Wars, the Disabled Veterans of America, medical associations, bar associations, provided the individuals of all these organizations will engage in protective service of the O. C. D. They could all very easily get within the terms of title VIII as being employees in the protective civilian defense service. Their appointment in such protective service would be readily approved by officers and agents of the O. C. D. Ofttimes such appointments would come to these organizations en masse through local mayors, town supervisors, or county supervisors, who theretofore have been designated officially as officers or agents of the O. C. D.

I do not know how many new employees would thus come into the compensation system. The figures, upon close scrutiny, would be legion.

The Executive order setting up O. C. D. is very broad. It in part provides that O. C. D. "shall provide opportunities for constructive civilian participation in the defense program." The O. C. D. would thus be empowered to embrace many preferred services of myriads of organizations, the members of which would become Federal employees under title VIII of the pending bill. In the field of



women's activities it is reported that 67 national women's organizations with millions of members expressed desire to work for O. C. D.

Under the title of racial relations a section has been organized to assure the integration of Negroes in the program of civilian defense. Practically every organization in the country has offered its cooperation in the undertaking and field representatives have been attached to various regional offices.

I have just been reading from Mayor LaGuardia's report as Director. Such work is most creditable and praiseworthy. However, see how many more employees would thus be placed under the compensation umbrella. Further, for example, the Boy Scouts alone, with 49,000 units and 1,500,000 members, have made special arrangements with O. C. D. to participate in protective activities. Thus an additional million and a half employees might be added. Of course, all might not come exactly within the definition of "employee," but most of those I have mentioned would. I have great faith in Dean Landis, present Director of O. C. D. He would have insurmountable difficulties in carrying out provisions of title VIII as drafted.

The Compensation Act was originally drafted and passed in 1916 to compensate persons in the Government service injured in line of duty, and that compensation was to tide them over the period of their disability. We now propose to take in this vast army of volunteers to be compensated by the Government. By all means aid these citizens volunteering for a noble work, but do it in a genuinely logically, comprehensive manner. If these volunteers are injured in line of duty we would be derelict if we would not provide relief. Do it by a carefully drawn separate bill, after appropriate hearings and after all the ramifications of such relief can be properly canvassed. As our distinguished chairman says, if you want to work out some scheme or program whereby you could reward or compensate this vast army of volunteers, do it by some separate measure; do not incorporate it in the compensation law and destroy and break down, by weight of numbers of beneficiaries, that act.

Under the Compensation Act provision is made for physical-fitness tests. There are no examinations, so far as these volunteer organizations are concerned, in the O. C. D. There is disciplinary control over those who now come under the compensation system—who happen to be in the employ of the Government. There is no disciplinary control by anybody in the local offices of the O. C. D. over this vast army of volunteers. There is no check on carelessness; there is no check on ignorance; there is no check on malingering; there would be all manner and kinds of fake claims—fake claims—and I say that advisedly—for illness and accidents. All would be on the bandwagon.

By not striking out title VIII, you weaken, if not destroy, the benevolent provisions of the Compensation Act.

Our Judiciary Committee wishes to provide relief for those injured, hurt, maimed, wounded, and for dependents

of those who have rendered the supreme sacrifice. But we desire that it be done in a separate bill.

Those in the O. C. D., aside from volunteers, who are duly employed, who have duly taken oath of office, under salary at \$1 or more per year, duly appointed, and under disciplinary power of appropriate officials of the O. C. D.—they are naturally in the compensation system.

Finally, under contemplated acts, the Government would be responsible for the torts and malfeasance of its agents and employees. It would be inconceivable that the Government should be responsible for the negligence, misfeasance, malfeasance—the torts of these millions and millions of volunteer O. C. D. workers—since they might be deemed "employees" of our Government.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Ohio [Mr. THOM] is recognized for 5 minutes.

Mr. THOM. Mr. Chairman, I have on the desk an amendment to this section, which I would like to have read at this time.

The CHAIRMAN. Without objection, the Clerk will read for information the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. THOM: On page 15, line 21, after the word "defense", insert "during an enemy attack."

Mr. THOM. Mr. Chairman, there is some just criticism of this section on the ground that it opens the door too wide.

In order to delimit the compensable cases, I propose offering my amendment that those only who are injured during an enemy attack shall have the benefit of this provision.

I am a member of the Judiciary Committee and as a member of that committee I opposed the elimination of this section. I did it reluctantly, and I stand here in opposition to the amendment offered by the gentleman from Texas [Mr. SUMNERS] with great reluctance, but as they say in England, the cat can look at a king.

These air wardens are truly engaged in a patriotic service without compensation. What are you going to say to the family of a man who goes into this work with his heart and is injured and sent to the hospital if he has no funds with which to meet these expenses and his family is left without income? Alongside of this volunteer air warden is working a city fireman or a city policeman doing exactly the same work of rescue. Both the policeman and the fireman, in my State at least, are under the provisions of the Workmen's Compensation Act and if injured will immediately receive from the State compensation commission the allotted amount. This

is an injustice and unfair discrimination against these patriotic men who are going to offer their services without pay for this very essential work.

I want to raise the question about these air wardens who may have insurance policies. Do you imagine for a moment that the insurance companies, after there are general air bombings, will continue to issue and extend policies to these men who occupy hazardous positions?

What do these air wardens do? When the bombs fall, they rush to the scene and locate them. They immediately contact the central office and ask for the help of firemen and policemen to suppress the fire, assist the sick and the injured, and so forth.

The less courageous citizens, the less patriotic possibly, the less vigilant, those who stay at home, those who seek shelter, those who hide in the bomb shelters and let their neighbors go out to carry the burden will not be hurt; yet when these fully deputized air wardens are injured, this Congress proposes to refuse to give them the benefit of the compensation system of the Federal Government. It is monstrous to me.

Let us see what the alternative is.

Every man who enlists as a warden and is injured will seek his Congressman out and have him introduce a special bill in the House of Representatives. If these air bombings become general you will have hundreds and hundreds of special bills to deal with. These bills will grant lump sums that may be used up quickly, whereas the compensation system would give them a certain amount weekly over many weeks in order to keep their families together until they can again become wage earners.

Mr. VORYS of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS of Ohio. The amendment offered by the gentleman from Ohio [Mr. THOM] being a perfecting amendment, would be voted on before the amendment offered by the gentleman from Texas which strikes the entire section?

The CHAIRMAN. The gentleman is correct. The Chair wishes to remind the gentleman from Ohio [Mr. THOM] that he has not offered his amendment. The Chair understands the gentleman has in mind offering an amendment to the title as it stands in the bill?

Mr. THOM. The amendment has been offered and read.

The CHAIRMAN. The amendment has been read for information only. The gentleman has not offered it.

Mr. THOM. Mr. Chairman, I wish to offer the amendment which has just been read.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Ohio [Mr. THOM]:

The Clerk read as follows:

Amendment offered by Mr. THOM: On page 15, line 21, after the word "defense" insert "during an enemy attack."

The CHAIRMAN. The gentleman from Kentucky [Mr. ROBSON] is recognized for 5 minutes.



Mr. ROBSION of Kentucky. Mr. Chairman, the Judiciary Committee, after careful consideration of this title by almost unanimous vote, ordered our chairman to offer this amendment to strike title VIII. There is much merit in what my friend the gentleman from Ohio [Mr. THOM] just said, but undoubtedly this bill is too broad. Why, it could take in literally millions of people.

Mr. THOM. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from Ohio.

Mr. THOM. The compensation system applies to the more than three or four million of W. P. A. workers of this country.

Mr. ROBSION of Kentucky. Yes; but in the W. P. A. there is some supervision. Persons are examined before they enter upon their service, and there is someone there to supervise their activities and to check when they claim they are injured. Then there is an examination made of the injured persons. There is no control under this bill or careful supervision.

Note what this language says:

The term "employee" also includes any person in the protective service engaged in civilian defense who has been duly appointed by an officer or an agent of the United States acting under lawful authority.

Almost anyone to make appointments. There should be limitations as to who would appoint.

Why, the sky is the limit. Any air-raid warden, in New York City alone—and they have nearly 200,000 of them—for instance, could appoint hundreds of people, even thousands of people, and they would come under this law. As a member of our committee stated the other day, a gentleman up in New York who had been appointed by one of these air-raid wardens, or deputy wardens, was out on the street; he was run into by an automobile. He claimed he was acting under his employment and duties as one of these civilian defense men and was entitled to damages. He wanted that member to introduce a special bill for him.

With all these millions of people involved in the civilian defense, who is going to find out how, when, and under what circumstances a person was injured under this act? There is merit in the argument that if someone acting as an air-raid warden or a helper receives an injury in an actual air raid in the defense of his city and his country compensation should be paid him. I feel there ought to be compensation paid him, but that sort of a measure should come in here as an independent bill, after proper investigation and consideration by the appropriate committee, and with limitations as to who will make the appointments and who may be appointed and who may receive the benefits under the law. This bill is as wide open as a bootjack and the sky is the limit.

Mr. HINSHAW. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from California.

Mr. HINSHAW. Is it not true that if we really have an air raid in this country there are going to be a lot of people

hurt besides the air-raid wardens, and are they going to seek compensation under this bill?

Mr. ROBSION of Kentucky. There are in the city of New York a million or more people perhaps who are identified with this civil defense program; and if they were hurt, they would come under this bill. And so it is in numerous other cities throughout the country. Cities, towns, and villages have their defense groups. This bill involves millions of people. A bill should be carefully drawn to protect the Government and also protect citizens with legal and bona fide claims, and we should no doubt enact such a measure if the public interest requires it.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. THOM].

Mr. THOM. Mr. Chairman, I ask unanimous consent that my amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk again reported the Thom amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. THOM) there were—ayes 25, noes 78.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. SUMNERS].

The amendment was agreed to.

The Clerk read as follows:

**TITLE IX—PROTECTION OF WAR INDUSTRIES SUBJECT TO SEASONAL HAZARDS OF FOREST FIRES**

SEC. 901. The President is empowered to direct the Administrator of the Federal Security Agency to assign the manpower of the Civilian Conservation Corps to the extent necessary to protect the munitions, aircraft, and other war industries, municipal water supply, power and other utilities, and resources subject to the hazards of forest fires.

With the following committee amendment:

In the title after "Industries", in line 14, insert "and protection of resources", and in line 16, after "to", strike out "seasonal."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 16, line 22, at the end of the line, strike out "utilities" and insert "utilities," and in line 23, after "and", insert "to protect."

The committee amendment was agreed to.

Mr. STARNES of Alabama. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to call attention to title XI of this bill.

I commend the highly respected and very able Committee on the Judiciary for their handling of this bill as a whole. There has been fair, free, and open debate, as there should be about so wide a variety of subjects.

Apropos of what has been said by others with reference to the rape of legisla-

tive procedure by the Senate and the House of Representatives, however, I call your attention to the fact that many measures heretofore enacted with the approval of certain parties have constituted the widest and the most violent rape of legislative procedure. I offer no criticism of the great House Committee on the Judiciary, which we love and respect, with reference to this bill, but I do say that it is not only an outrageous procedure but an indefensible procedure to send to the Congress of the United States under the guise of expediting the war program a bill with 16 different titles, none of which are directly related to each other, and some of which have no more relation to the war effort than I have to a street cleaner on the golden streets in New Jerusalem.

I hope that hereafter when any legislation is proposed by the departments charged with expediting the war program it will come to the House or to the Senate in a bill which can and will be properly referred to the Committee on Naval Affairs or to the Committee on Military Affairs, two great committees of this House, composed of responsible and respectable Members who are thoroughly familiar with the problems of the Navy Department and the War Department, respectively, and who are capable of handling such legislation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Kentucky, who is the distinguished chairman of the Military Affairs Committee.

Mr. MAY. I believe it was Mr. Biddle who told the Committee on the Judiciary in the hearings here that they had a small committee of three set up down there and that they were going to bring here other legislation; that they probably would have a dozen bills up here, all to go to some one committee in a single bill with a dozen different titles in it.

Mr. STARNES of Alabama. I thank the gentleman for his contribution. I have noted the testimony showing administrative departments approve of this type of legislation. I am also reliably informed that a third war-powers bill is under consideration now in the various departments of the Government and will probably be brought up here and referred to the Committee on the Judiciary. Certain persons who are not Members of Congress seem determined to convert the Judiciary Committee into a war committee. It is evident that the executive departments concerned have no confidence in either the Committee on Naval Affairs or the Committee on Military Affairs of the House, but prefer that the legislation to expedite our war effort be handled by the Committee on the Judiciary.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Indiana.

Mr. SPRINGER. On page 18, in line 3, in the title dealing with naturalization, this provision is contained:

No declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required.



What does the gentleman have to say with respect to putting that provision in our naturalization laws?

Mr. STARNES of Alabama. I think it is outrageous.

I wish now to address myself to that portion of the bill referred to by the gentleman, which was my primary purpose in seeking recognition at this time.

[Here the gavel fell.]

Mr. STARNES of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STARNES of Alabama. Mr. Chairman, at the proper time I shall offer an amendment to strike out all of title XI in this bill.

Mr. SUMNERS of Texas. If the gentleman will yield, may I suggest for the consideration of the gentleman that he withhold his discussion of that until we reach that particular section?

Mr. STARNES of Alabama. I understand that the committee is not altogether pleased with this title and will offer an amendment which will limit the provisions of the bill to men serving in the Army and Navy who have actually resided in the United States.

I call your attention to the fact that title XI as passed by the other body and as presented to this body in this bill would permit millions of men who have never laid eyes on the United States of America, who have never placed a foot on the soil of the United States, who can neither read nor write nor speak the English language, nor sign their own names, to become citizens of the United States without being charged to any quota. They would become citizens before they ever saw their country.

I was astounded at this provision and I called the Immigration and Naturalization Service and talked to the Deputy Commissioner, who has been in that service for many years. He is a capable and respected public servant. When asked as to the effect of the operation of this title he told me such a condition as I have outlined is correct. The further effect of the bill as presented here would be to break down the safeguards we have enacted and jealously kept against admitting more than 100 persons for citizenship from Japan, China, and India. A Balinese dancer, a Hindu snake charmer, a Japanese, a Chinese, a Russian, a German, or a national of any other nation on the face of the earth, who participated in this war in the Army or the Navy of the United States could become a citizen of the United States. This without residence or educational requirements of any kind or character. There is no limit as to number. What an opportunity for espionage!

I know the argument that will be made, and a beautiful argument will be made by some, that a man who wears the uniform is good enough to become a citizen.

It is true we had legislation relaxing provisions contained in certain laws and regulations with reference to naturalization for aliens serving in the Army and Navy in World War No. 1, but we required

the beneficiaries to have been resident citizens of the United States of America prior to the time they went into the armed forces.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. In a moment. Let me complete my statement.

Section 702 of this act goes much further than anything proposed heretofore. It confers upon representatives of the Bureau of Immigration and Naturalization all the rights and power and duties now conferred upon Federal district judges with reference to naturalizing citizens. This is for the purpose of sending them out of the United States, if necessary, into the outlying regions and into other countries and to naturalize beneficiaries under this act and make them citizens before they ever come to the United States of America.

Mr. Chairman, I have verified everything I have said to you by conference with members of this committee and with the Deputy Commissioner of Immigration and Naturalization. This is an outrageous procedure, and I do hope that even after you have adopted the committee amendment that you will vote for my amendment to strike the title from the bill because, as I understand it, all it does is to limit the benefits of this title to people who have actually resided in the United States prior to entry into the service. However, if the committee amendment is adopted, the act would permit hundreds of thousands who are here on other than immigrant status to become citizens without meeting all the provisions of law that otherwise would have to be met.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I will be delighted to yield to the able majority leader, the distinguished gentleman from Massachusetts.

Mr. McCORMACK. For information only, because I am sure the gentleman is familiar with the legislation on this subject during the World War, would the gentleman, if he feels it is pertinent and timely, give the committee the points of difference between this proposal and the World War procedure?

Mr. STARNES of Alabama. I shall be glad to. We rightly, in my judgment, passed legislation which relaxed the provisions of our regular immigration and naturalization laws with reference to naturalization for the benefit of veterans of World War No. 1, but we did not relax residence requirements, and, as I recall, it required lawful residence in this country. Neither did we confer upon any other agency of the Government the right to take over the duties of the Federal district judges in passing upon questions of law and fact with reference to naturalization of aliens.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I just want to direct the attention of my distinguished friend who has just taken his seat to the fact that the provisions of this bill are almost identical with the provisions of the bill H. R. 6439, which has been reported by the Committee on

Immigration, of which, I believe, my friend is a member.

Mr. STARNES of Alabama. No; I happen to be a member of the Appropriations Committee.

Mr. SUMNERS of Texas. Somebody gave me a bum steer—we have to be cautious about that.

Anyway, that bill, without discussing the provisions of it, as introduced and reported favorably by that committee, carries no provision with respect to residence in the United States, whereas this bill does. But I have just spoiled a very nice point I was going to make, and the gentleman ought to have admitted he was on this committee.

Mr. FADDIS. Mr. Chairman, I believe the fact that this Committee has been laboring on this bill for 5 days is proof of the doubtful wisdom of bringing such omnibus bills before the Congress, certainly at a time like this when the Congress will most likely be in session continuously. There should be ample time for the various items in this or any other bill to be placed before the legislative committee which properly has jurisdiction over them.

I am very much afraid that in the days to come we will be confronted with more pieces of legislation of this kind which are designed to prevent proper and judicial consideration of the matters contained in them by the committees best able to consider and report on them. This bill is but a trial balloon. All omnibus bills are for one purpose, and that is to carry with the little good that is in them many matters which lack merit. This is the purpose of omnibus bills.

We will have before us in a short time an omnibus rivers and harbors bill, and for what reason is it an omnibus bill? The reason is that they wish to carry a great many items which lack merit through with some provisions which have merit. If Congress is to retain its proper legislative functions which will enable it to act in a proper manner, we must be vigilant and keep down these omnibus bills. They are the delight of the bureaucrats downtown. That is what they are advanced for. They enhance the power of the bureaucrats and detract from the power of the legislative branch. That has been the dangerous trend of our form of government for many years, and is now indeed very alarming to me.

I have supported all the legislation so far asked for the purpose of carrying on this war. There has not been a single piece of legislation for that purpose that I have not supported, but I find myself unable to support the bill before us at the present time because I am satisfied that it is but the forerunner of other legislation of its kind which will, I have little doubt, result in the practical elimination of the legislative functions of the House of Representatives.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. CRAWFORD. To ask the gentleman a question about the language on page 17, line 24. I refer to the language "in the military or naval forces of the United States."



Suppose a United States general, in charge, we will say, of the Asiatic division or the South African division of the United States Government land forces, and then to be subsequently put in charge of all the forces of all nationalities in that particular area. Under the language of this bill, could those forces be held to be in "the military or naval forces of the United States"?

Mr. FADDIS. No; I do not believe they properly could. However, I believe it would be quite possible to take the inhabitants of those countries directly into the military forces of the United States in a manner that would make them eligible for citizenship under the provisions of this act.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word. In order that the RECORD of yesterday may be amplified, I desire to place into the RECORD an answer to a question that was frequently asked on the floor of the House. Attention is called to the fact that in the remarks which I made yesterday consideration was directed to the Walsh-Healey Act. This act covers all contracts for the production of war supplies in excess of \$10,000 in value. Because practically our entire production is now being devoted to the war effort, the provisions of the Walsh-Healey Act become very important. I also called attention to the fact that in section 6 of that act the Secretary of Labor is given power and authority in compliance with the conditions of section 6 to suspend the provisions as to the maximum of hours of labor permitted under the provisions of the Walsh-Healey Act. I now direct attention to the fact that this Congress in Public Act No. 671, entitled, "An act to expedite the national defense, and for other purposes," enacted and approved on June 28, 1940, specifically vested in the President of the United States the power to suspend all of the provisions of section 1 of the Walsh-Healey Act. For the purpose of the RECORD, I read section 13 of the public act just referred to:

Section 6 of the act approved June 30, 1936 (49 Stat., 2036 U. S. C., supp. 5, title 41, sec. 3545), is hereby amended by adding:

*Provided*, That whenever in his judgment such course is in the public interest, the President is authorized to suspend any or all of the representations and stipulations contained in section 1 of this act.

This legislation in plain language gives to the President the power in his discretion to suspend every provision of section 1 of Public, No. 846, Seventy-fourth Congress, known as the Walsh-Healey Act. This section reads as follows:

[PUBLIC, NO. 846, 74TH CONG.]  
S. 3055

An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes

*Be it enacted, etc.*, That in any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all the stock of which is beneficially owned by the United States (all the foregoing being hereinafter designated as agencies of the United States), for the manufacture or furnishing of ma-

terials, supplies, articles, and equipment in any amount exceeding \$10,000, there shall be included the following representations and stipulations:

(a) That the contractor is the manufacturer of or a regular dealer in the materials, supplies, articles, or equipment to be manufactured or used in the performance of the contract;

(b) That all persons employed by the contractor in the manufacture or furnishing of the materials, supplies, articles, or equipment used in the performance of the contract will be paid, without subsequent deduction or rebate on any account, not less than the minimum wages as determined by the Secretary of Labor to be the prevailing minimum wages for persons employed on similar work or in the particular or similar industries or groups of industries currently operating in the locality in which the materials, supplies, articles, or equipment are to be manufactured or furnished under said contract;

(c) That no person employed by the contractor in the manufacture of furnishing of the materials, supplies, articles, or equipment used in the performance of the contract shall be permitted to work in excess of 8 hours in any one day or in excess of 40 hours in any one week;

(d) That no male person under 16 years of age and no female person under 18 years of age and no convict labor will be employed by the contractor in the manufacture or production or furnishing of any of the materials, supplies, articles, or equipment included in such contract; and

(e) That no part of such contract will be performed nor will any of the materials, supplies, articles, or equipment to be manufactured or furnished under said contract be manufactured or fabricated in any plants, factories, buildings, or surroundings or under working conditions which are unsanitary or hazardous or dangerous to the health and safety of employees engaged in the performance of said contract. Compliance with the safety, sanitary, and factory inspection laws of the State in which the work or part thereof is to be performed shall be prima facie evidence of compliance with this subsection.

It will be noted that paragraph (b) provides for the payment of "minimum wages as determined by the Secretary of Labor to be the prevailing wage." Paragraph (c) contains the hour provisions. It is not clear, therefore, that the President now has the full power to deal with this problem of extending the hours of labor and the compensation to be paid. I think the country should know that the President now has that power. He has had it since 1940. He can at any time, without further action of the Congress, remove these limitations upon maximum hours, in response to the will of the people to accelerate the war effort. It was, therefore, clearly unnecessary for the Congress to legislate again upon that subject. We have heretofore placed that power, first in the hands of the Secretary of Labor and, secondly, by the act referred to have placed it in the hands of the President of the United States. I hope that when the demand becomes strong enough from the people in the country that the President may see fit in the interest of the public necessity in the prosecution of this war effort, to suspend the maximum limitation of 40 hours a week.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. MAY. If the legislation we are discussing now had been submitted to

the House Military Affairs Committee, which committee reported the bill to which you refer, we might probably have known that the question had already been settled.

Mr. KEEFE. I call it to the attention of the House at this time because it was not heretofore directed to their attention.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. KEEFE. I yield.

Mr. SMITH of Virginia. The gentleman is aware of the fact that the act to which he refers, passed in 1940, will expire on the 30th day of June this year.

Mr. KEEFE. A reading of the act, Public, No. 671, clearly indicates the contrary.

Mr. SMITH of Virginia. No; because that power to suspend will expire on June 30.

Mr. KEEFE. I direct the gentleman's attention to the fact that section 12 of Public, No. 671, provides—and I quote:

The provisions of all preceding sections of this act shall terminate June 30, 1942, unless Congress shall otherwise provide.

The section hereinbefore quoted is section 13, and hence is not affected by the termination provision referred to.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry. I am really confused as to just where we are.

The CHAIRMAN. These are pro forma amendments that have been offered to title IX, now under consideration.

Without objection, the pro forma amendments are withdrawn. The Clerk will read.

The Clerk read as follows:

TITLE X—FREE POSTAGE FOR SOLDIERS, SAILORS, AND MARINES

SEC. 1001. Any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the military or naval forces of the United States (including the United States Coast Guard), while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

Mr. FORAND. Mr. Chairman, I move to strike out the last word.

Mr. SUMNERS of Texas. Mr. Chairman, if the gentleman will yield, I would like to see if we can get an agreement on time. I ask unanimous consent that all debate on this title and amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

Mr. SWEENEY. Reserving the right to object, Mr. Chairman, I have an amendment which is at the desk.

Mr. SUMNERS of Texas. Well, you can have 5 minutes on your amendment.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The gentleman from Rhode Island is recognized for 5 minutes.

Mr. FORAND. Mr. Chairman, I will not take all the time to which I am entitled but I want to express to the committee that brought in this bill my compliments for and my approval of the fact



that title X is included therein, providing free postage for soldiers, sailors, and marines.

I note with a great deal of satisfaction that no discrimination is made as to whether such individuals are serving within the continental United States or in foreign lands. That is as it should be.

In World War No. 1, even though men had little, if any, choice as to where they were serving, the free postage privileges were denied to those who did not leave the country.

Many Members of Congress, like myself, have sought this type of legislation ever since the enactment of the selective service law.

It has apparently taken the Japanese attack on Pearl Harbor to awaken us to the fact that free mailing for our soldiers and sailors was worthy of consideration.

There is nothing that I know of, Mr. Chairman, that will lift the morale of our men in uniform any more than letters from home. They will pass up mess call to answer mail call, and every Member of this House who has been in the service will vouch for the truth of that statement.

To encourage mail from home our fighting men must write home. Very often a service man who does not have the price of a postage stamp in his pockets and will carry around in his pocket for days, while trying to "bum" a stamp from his buddies, a letter that he wishes to send home. Or, even though he may have the price, there is not a stamp to be bought. True, existing law would permit him to send his letter by writing his name and address in the upper right-hand corner of the envelope, and adding to that "soldier's or sailor's mail," and the addressee would then have to pay the postage to receive it. But how many of our service men know that? Now, when this legislation becomes law he can, and I am sure he will, write more often because he will know that his letter can leave promptly. Moreover, the fact that he can send it under the frank, so to speak, will be an incentive to him to write home.

Think what a salutary effect it will have upon the morale of the loved ones back home to receive mail more often from the boys. They in return will write more often because they will want to answer the boy's letter, and thus morale at both ends will be lifted a great deal.

Let me say, Mr. Chairman, that mail call greatly cheers up the boys who get letters. It has a very depressing effect, however, upon those unfortunates who receive few letters and who may well be termed "the forgotten men." These latter will stand around in the hope that while the first sergeant or the mail clerk is calling out the names of those receiving mail their own names may be called. Then when the last piece of mail is delivered and those who have mail rush to some spot where they can read their cards or letters, the forgotten man will turn around with his head inclined and his heart heavy and usually will go off to be by himself and grieve at the thought that his dear ones have forgotten him. That is one of the most pa-

thetic sights to be seen in the armed service, and if the folks back home could be witness to such a scene, even only once, Mr. Chairman, I am sure that no man in uniform would be neglected.

I should like to take this opportunity to urge everyone who hears me, or who may read these remarks, to seek out a boy from his or her neighborhood who is in the service, who is likely not to receive much mail, and to drop him a card or a letter once in a while. I am sure that he would appreciate it, and you will get a lot of satisfaction out of it yourself because of the good it will do.

While we bend our efforts to furnish our men with all the tools of war so that they can fight our battle, let us not forget to furnish them also with letters and cards to keep up their morale. There is a trying time. They have to endure untold hardships. They are ready and willing to sacrifice their lives for us. They are fighting to preserve democracy so that we may continue to enjoy the privileges that have been ours for years. Is it not our duty to help them also by writing them often to relieve them of their worries about the folks back home and to cheer them on? The answer is yours and mine.

I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SWEENEY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SWEENEY: On page 17, line 11, after the period, insert "Every member of the military or naval forces of the United States, including the United States Coast Guard, shall be furnished 15 penalty-type envelopes each month during the duration of the war. The Postmaster General is authorized to prescribe such regulations with respect to size and form."

Mr. McLAUGHLIN. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane. The gentleman from Ohio is a member of the Committee on the Post Office and Post Roads. I am willing to reserve the point of order to permit the gentleman to make his presentation, but my point is that this matter was not considered by the Judiciary Committee. If it is not germane, we feel we should protect the record on it.

As far as the purposes of the amendment offered by the gentleman are concerned, it is something which is splendid in its objective; but the gentleman from Ohio is a member of the committee which might bring in such a bill. There is a serious question as to whether it can be said to be germane at this time. The gentleman's proposal can be considered in an orderly way by his committee, and I suggest that it should be so considered.

Mr. SWEENEY. I appreciate the gentleman's position.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. SWEENEY. Mr. Chairman, the reason this subject matter contained in this title was not before the Committee

on Post Offices and Post Roads, nor the forty-some-odd bills providing for the franking privileges for our armed forces offered by other Members of the House were not before the committee or reported for consideration, is because the committee has not met for 3 months. I am not blaming anyone. I state a fact. There was no opportunity to discuss this subject before our committee any more than some of the other subject matters contained in this omnibus bill were available for discussion before other committees.

This amendment does not place a limitation on the first-class mail that any soldier, sailor, or marine can send through the mail. It simply gives our armed forces the right to exercise the same franking privilege which we have by furnishing them in addition 15 penalty-type envelopes per month as an accommodation to them.

My original amendment fully written contained the following language:

That the Postmaster General be authorized to cause to be printed on the envelopes a picture of Gen. Douglas MacArthur and the words, "Remember Pearl Harbor."

I have been advised that this later language may be subject to a point of order. Hence, I do not press the issue, because I do not want any false impression to go out to the country that we might have said, even on a sustaining of a point of order, that we did not want a picture of Gen. Douglas MacArthur or the words "Remember Pearl Harbor" on any Government document.

I want to thank the Postmaster General, Frank Walker, and his Department for having placed in this title the franking privileges for our armed forces. Government officials ought not begrudge these men 15 penalty-type envelopes per month. As I understand it, every Member of Congress can order 5,000, 10,000, 100,000, or 500,000 envelopes without charge. I think my amendment, if passed, will stimulate the morale of the men in the Army. It will give them an opportunity, if they have 15 Government penalty-type envelopes in their kit, to write home to the people without cost, and more often. It now costs them 3 cents' postage every time they write a letter to their relatives and friends. This legislation is overdue. It should have been enacted months ago, when the Selective Service Act was passed.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. BULWINKLE. No Member of Congress can order 100,000 envelopes every month.

Mr. SWEENEY. I hope that is true. My information is there is no limit on the number of envelopes a Member can order at any time.

Mr. BULWINKLE. You can order them on your stationery allowance. Of the other envelopes you used to send out various things you can get 100,000 a year.

Mr. SWEENEY. I stand corrected, but 100,000 a year is a lot of envelopes. We ought to share some of those envelopes with the boys in the service.

I do not know whether the point of order will be overruled or not, but in the



event this amendment is adopted, later on by special resolution which I shall bring before the Post Office and Post Roads Committee I am going to ask that the Postmaster General be memorialized to have printed on the envelopes a likeness of Gen. Douglas MacArthur and the slogan, "Remember Pearl Harbor."

If I had my way, I would have that slogan and likeness on every Government document right now. It ought to be stamped on every piece of Government mail.

The CHAIRMAN. The gentleman from Nebraska [Mr. McLAUGHLIN] reserved a point of order against the amendment. Does the gentleman desire to make the point of order?

Mr. McLAUGHLIN. Mr. Chairman, I make the point of order.

Mr. Chairman, I believe the amendment is not germane for the reason that it goes beyond the scope of the title it proposes to amend in that the title deals with free postage, whereas the amendment deals with envelopes. It goes beyond free postage. It is true there is impressed on the envelope a stamp which permits the envelope to be carried free, but, in addition to that, the envelope is something separate and apart from the stamp and from the free-postage suggestion. I may say that this has never been called to the attention of the Post Office Department by the Judiciary Committee. The views of the Post Office Department have not been ascertained on this as they have on title X.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. SWEENEY. Merely to make the observation that this is an omnibus bill entitled "To further expedite the prosecution of the war." If I understand "germaneness" at all, even in a lay sense, it means something that is appropriate, something that is pertinent to that which is under consideration. Now, if this bill is to stimulate or to further expedite the prosecution of the war, the subject matter we are considering in this title is the franking privileges for the armed forces. I do not see how it could be out of order to propose that, in addition to giving the men in the armed forces the franking privilege, we allocate to each man 15 penalty envelopes per month as part of the franking privilege matter simply as an accommodation. Mr. Chairman, I submit that the amendment is germane.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Ohio offers an amendment to Title X of the bill. The gentleman from Nebraska makes the point of order against the amendment that it is not germane to the title to which offered. The Chair has examined the amendment. It provides every member of the military or naval forces of the United States, including the United States Coast Guard; shall be furnished 15 penalty envelopes each month during the war. The title of the bill to which the amendment is offered provides free postage for soldiers, sailors, and marines.

The Chair thinks the question involved is that of free postage for men in the military service. Whether a man is

handed a certain number of envelopes that require no postage or is handed a certain number of postage stamps to be placed on some other envelope is a matter of mere detail. The Chair is of the opinion that the amendment is on the same subject as the provision of this title of the bill, and therefore, is of the opinion that it is germane, and overrules the point of order.

Mr. SUMNERS of Texas. Mr. Chairman, before the vote is taken on the amendment I ask unanimous consent that section 1001, a very short section, of which this amendment is amendatory, be read for the information of the committee.

The CHAIRMAN. Without objection, the Clerk will again read the provision, in question, requested by the chairman of the committee.

The Clerk read as follows:

Page 17, line 3:

"SEC. 1001. Any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the military or naval forces of the United States (including the United States Coast Guard), while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe."

The CHAIRMAN. One minute and a half remain of the time. Does the gentleman from Texas seek recognition?

Mr. SUMNERS of Texas. Yes; if the Chair please.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. SUMNERS of Texas. Mr. Chairman, I direct the attention of the Committee to the fact that the section just read provides free postage to the men engaged in the service, both in America and abroad, whereas the amendment offered by my distinguished friend would entail the burden upon the Government of printing and distributing in advance of any need, and without regard to need, these 15 envelopes to people who already have the right of free postage.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. ROBSION of Kentucky. As a matter of fact, is not the amendment offered by the gentleman from Ohio a limitation on the right of these soldiers?

Mr. SUMNERS of Texas. I think it might be so construed. I am not sure.

Mr. SWEENEY. I do not believe it can be called a limitation in any sense of the word, but is an addition, an accommodation. Under the wording of the title the soldier or sailor could mail any number he wished.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. SWEENEY].

The question was taken; and on a division (demanded by Mr. SWEENEY) there were—ayes 8, noes 68.

So the amendment was rejected.

The Clerk read as follows:

# TITLE XI—NATURALIZATION OF PERSONS SERVING IN THE ARMED FORCES OF THE UNITED STATES DURING THE PRESENT WAR

SEC. 1101. The act of October 14, 1940 (54 Stat. 1137), entitled "An act to revise and codify the nationality laws of the United States into a comprehensive nationality code," is hereby amended by adding thereto a new title, as follows:

## "TITLE III

"SEC. 701. Notwithstanding the provisions of sections 303 and 326 of this act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized upon compliance with all the requirements of the naturalization laws, except that (1) no declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required; (2) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner; (3) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test; and (4) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certification of naturalization, if issued: *Provided, however*, That (1) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States; (2) the service of the petitioner in the military or naval forces of the United States shall be proved by affidavits, forming part of the petition, of at least two citizens of the United States, members or former members during the present war of the military or naval forces of the noncommissioned or warrant officer grade or higher (who may be the witness described in clause (1) of this proviso), or by a duly authenticated copy of the record of the executive department having custody of the record of petitioner's service, showing that the petitioner is or was during the present war a member serving honorably in such armed forces; and (3) the petition shall be filed not later than 1 year after the termination of the effective period of this act as provided in title XV. The petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the witnesses required by the foregoing proviso shall have appeared before and been examined by a representative of the Immigration and Naturalization Service.

"SEC. 702. During the present war, any person entitled to naturalization under section 701 of this act, who while serving honorably in the military or naval forces of the United States is not within the jurisdiction of any court authorized to naturalize aliens, may be naturalized in accordance with all the applicable provisions of section 701 without appearing before a naturalization court. The petition for naturalization of any petitioner under this section shall be made and sworn to before, and filed with, a representative of the Immigration and Naturalization Service designated by the Commissioner or a Deputy Commissioner, which designated representative is hereby authorized to receive such petition in behalf of the Service, to conduct hearings thereon, to take testimony concerning any matter touching or in any way affecting the admissibility of any such petitioner for naturalization, to call witnesses, to administer oaths, including the oath of the petitioner and his witnesses to the petition for naturalization and the oath



of renunciation and allegiance prescribed by section 335 of this act, and to grant naturalization, and to issue certificates of citizenship: *Provided*, That the record of any proceedings hereunder, together with a copy of the certificate of citizenship, shall be forwarded to and filed by the clerk of a naturalization court in the district in which the petitioner is a resident and be made a part of the record of the court.

"Sec. 703. The 90 days' notice required by subsection (b) of section 326 of this act to be given by the clerk of the naturalization court to the Commissioner may be waived by the Commissioner in his discretion. In any petition in which such notice is waived the Commissioner shall cause the clerk of court to be notified to that effect.

"Sec. 704. The provisions of this title shall not apply to (1) any person who during the present war is dishonorably discharged from the military or naval forces or is discharged therefrom on account of his alienage, or (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform: *Provided*, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with section 338 of this act.

"Sec. 705. The Commissioner, with the approval of the Attorney General, shall prescribe and furnish such forms, and shall make such rules and regulations, as may be necessary to carry into effect the provisions of this act.

"Sec. 706. This title shall take effect from the date of its approval."

With the following committee amendments:

Page 19, line 7, after the word "of", strike out "This act as provided in title XV" and insert "titles I to X, inclusive, and titles XII and XV of the Second War Powers Act, 1942."

Page 21, line 9, strike out all of lines 9 and 10.

The committee amendments were agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas: Page 17, line 23, after the word "age", insert the following: "who is a resident of the United States or any of its territories or possessions at the time of his enlistment or induction, and."

Mr. SUMNERS of Texas. Mr. Chairman, I call attention to the fact that unless this amendment is adopted there will be no requirement in this section that the persons who may have admission to citizenship shall be at all residents of the United States. This limits citizenship to those who are residents.

Mr. DONDERO. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Michigan.

Mr. DONDERO. Would the gentleman still leave in the sentence that no residents shall be required, on page 18, line 4 even after adopting the gentleman's amendment?

Mr. SUMNERS of Texas. That would have to be taken out.

Mr. HINSHAW. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from California.

Mr. HINSHAW. Would there be any force or effect in placing in that language

that the gentleman has proposed the word "legal" in front of "resident"?

Mr. SUMNERS of Texas. It would have force.

Mr. HINSHAW. Would the word "resident" be satisfactory without the word "legal" in front of it?

Mr. SUMNERS of Texas. Residence, of course, just means residence. I will be very candid with the gentleman. A person who is in the United States not legally admitted would not be excluded without the use of the word "legal."

Mr. HINSHAW. Would the gentleman be willing to insert the word "legal"?

Mr. SUMNERS of Texas. This is a committee amendment.

Mr. HINSHAW. I have not the time to write it.

Mr. SUMNERS of Texas. Yes, the gentleman will have time.

Mr. REES of Kansas. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Would the gentleman accept this amendment in substitution for the amendment he has offered: After the word "citizen" insert the following: "Persons who have been legally admitted into the United States at the time of entering the military service of the United States"?

Mr. SUMNERS of Texas. As I understand the gentleman's language it is in effect the same language as if the word "legal" were added to the amendment I have offered.

Mr. REES of Kansas. Practically so.

Mr. SUMNERS of Texas. I am not in position to consider the question of agreeing to an amendment to this amendment which I have offered because it is a committee amendment that I am offering on behalf of the Committee on the Judiciary. I am not offering it as an individual Member of the House.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The gentleman has indicated a disposition to want to correct this thing and make it satisfactory to all those who are finding fault with it. The gentleman admits himself that his language would not cover the situation.

Mr. SUMNERS of Texas. I am not so sure about that.

Mr. JENKINS of Ohio. Would the gentleman feel terribly aggrieved if we would sort of organize and defeat his amendment with the idea we would pass the amendment to be offered by the gentleman from Kansas?

Mr. SUMNERS of Texas. I would be out of the House already if I had been aggrieved by what has been done to me on this bill already.

Mr. JENKINS of Ohio. While the gentleman's amendment does some good, if it were defeated and the Rees amendment substituted and passed, it would answer the purpose much more satisfactorily than the gentleman's amendment. [Here the gavel fell.]

Mr. HINSHAW. Mr. Chairman, I offer an amendment to the committee amend-

ment offered by the gentleman from Texas [Mr. SUMNERS].

The Clerk read as follows:

Amendment offered by Mr. HINSHAW to the committee amendment: Insert "legal" before "resident" in the amendment of the gentleman from Texas.

The CHAIRMAN. Does the gentleman from California desire recognition on his amendment?

Mr. HINSHAW. No, Mr. Chairman, I do not desire recognition on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The committee amendment was agreed to.

Mr. STARNES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARNES of Alabama: On page 17, line 12, strike out all of title XI.

Mr. STARNES of Alabama. Mr. Chairman, unless the committee offers an amendment to strike it out, the language at the top of page 18 reading—

No declaration of intention and no certificate of arrival and no period of residence within the United States or any other State shall be required—

is sufficient basis for striking out the whole title.

I am still opposed to this section as amended. The original proposal was wholly dangerous and inimical to the welfare of this country. This committee and this House have recognized that fact by seeking by amendment to limit the benefits to legal residents of this country. As amended it does not require the beneficiaries to have been legally admitted to the country.

The second proposition I wish to state in support of my amendment is that this section waives the requirement that the petitioner speak or read the English language, sign his own petition in his own handwriting, or meet any educational test.

Third, this section waives the payment of any fees.

Further, there is a very striking and peculiar thing about this proposal in that it would substitute as primary evidence the affidavits of two persons to the effect that they knew this person; that he was of good character; and that he served in the Army or Navy, for a certified copy of his service record obtained from either the War Department or the Navy Department.

My final reason is that section 702 permits the Immigration and Naturalization Service to appoint a representative to go outside the confines of the United States, with no territorial limit whatever except the vast and boundless spaces of the oceans and of the earth, and take the place of a Federal district



judge in passing upon all questions of law and fact concerning the naturalization of the petitioner.

Mr. HARNESS. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Indiana.

Mr. HARNESS. Does the gentleman's amendment strike out the entire title?

Mr. STARNES of Alabama. It strikes out the entire title. It is my thought that the Committee on Immigration and Naturalization can handle this matter, and can bring a bill in here on its merits for debate and due consideration. If we need to extend this benefit to legally admitted residents of the United States who are aliens serving in our Army or Navy, I believe such a bill can be passed by unanimous consent.

Mr. HARNESS. So do I, and I agree with the gentleman's amendment if its effect is to strike out the entire title.

Mr. STARNES of Alabama. It does, every word of it. Then the matter can be brought in here as a clean bill from the Committee on Immigration and Naturalization.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Or the gentleman could do this: He could place a period after the word "laws" in the second line on page 18, and do what the chairman indicated he would like to do, permit the naturalization of anybody who enlists in the armed services of the United States who is a resident of this country, and then strike out all the rest of the title.

Mr. STARNES of Alabama. I still do not think that section 702 ought to stay in this or any other bill under any circumstances.

Mr. JENKINS of Ohio. The gentleman's idea is that if the only purpose of it is to give some consideration to a man who enlists in our armed services we can do that any time?

Mr. STARNES of Alabama. That is right; and have the matter considered by the proper committee.

I hope my amendment will be adopted.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Tennessee.

Mr. JENNINGS. In other words, the gentleman's amendment is to cut the thing out, root and branch, and cast it out?

Mr. STARNES of Alabama. Right.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It seems to me the way the language is here presented that we shall be offering these people a reward to serve in the Army or the Navy. Why not let them serve and then give them the reward, if we want to do that?

Mr. STARNES of Alabama. That is right. No other nation is offering such a reward to the American boys who serve in their armed forces.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman will recall that about 2½ years ago the Committee on Military Affairs brought in a bill that removed the disability of lack of citizenship of about 7,500 men in the Army, and the House considered that bill. I wonder why we do not follow a similar procedure in connection with this matter.

Mr. STARNES of Alabama. I wonder, too.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. Will the gentleman tell me why there is any particular hurry to pass this particular title and how its adoption will help the war effort?

Mr. STARNES of Alabama. I thank the gentleman for his contribution. I should like to know that myself. I will yield to the chairman of the committee to tell us why.

Mr. SUMNERS of Texas. I suggest to the gentleman that the Committee on Immigration and Naturalization reported the bill H. R. 6439, which is identical with this recommendation, except that there is no limitation in reference to residence.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I did not attend many of the sessions of the subcommittee which handled this bill, but there is this information which I owe the duty to give to the House. It was suggested, so I am advised, by those who came before the Committee on the Judiciary that persons who are or were nationals of governments with which we are at war, if found in the American Army and not citizens of this country, would probably be treated as spies or traitors and shot. The other argument is that persons who are good enough to fight under the flag are good enough to be citizens of this country. I would like it to be understood that I am reciting statements that I understand were made before the Committee on the Judiciary in support of this title.

Mr. MARCANTONIO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at a time when the greatest unity is required on the part of all the people in our Nation it is tragic that the committee sitting here this afternoon should permit itself to fall into the abyss of foreign-born baiting hysteria. The demonstration we have had on this floor, in my opinion, is not conducive to the unity which is of the essence in attaining a victory. To substitute the prejudices of the Klan for the spirit of unity is not only un-American, but serves the purposes of the Axis enemy.

Let us analyze this provision in the bill as it has been amended. What does it provide? It provides that a person who is in the armed forces and who is legally a resident of the United States and who is serving either in the United States or abroad, may, upon application, presenting character affidavits from witnesses, become a citizen of the United States. I would like to know what is wrong with that.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. In just a moment. Here, under the Conscription Act, we provide that a person who is not a citizen, but who has obtained his first papers, cannot claim exemption or deferment, but must be drafted. On the one hand we draft the foreign-born who is not a citizen and on the other hand we now seek to prevent the endowment of citizenship on a foreign-born who wears the uniform of our country and who is ready to fight and lay down his life for our country. And as against that person we indulge in this hysteria of foreign-born baiting this afternoon on the floor of the House of Representatives. What a spectacle for our people and our allies.

During the last war we permitted naturalization of foreign-born noncitizens because of the service they rendered. What greater requisite for citizenship can there be than that of service in the armed forces in time of war? Congress permitted our foreign-born soldiers to become citizens in World War No. 1. Why should we not do it now? Why do you want to discriminate against one who is in the uniform? The bullets that are shot against us do not discriminate. They shoot down the man in the uniform, be he a citizen or a noncitizen. What are we fighting this war for? Are we fighting it for discrimination? Are we fighting it to punish the foreign-born and to continue to discriminate against the foreign-born? Are we fighting to carry on the practice of race hatred, race discrimination, and Klanism in our armed forces in the administration and conduct of the war, or are we fighting to do away with all that? I say if the Starnes amendment is adopted we will be indulging in the vilest form of discrimination and it will lead to that disunity which is sought by the enemy. It will leave us open to the charge of the basest form of discrimination, discriminating against men who have either been drafted or volunteered to meet the bullets and the shrapnel and the dive bombers of the enemy.

I say any man who is legally a resident of the United States and who can comply with the provisions of this bill, namely, submit evidence as to character, should be endowed with American citizenship. He should not be forced to wait until this war is over and then have to go through a lot of red tape.

You say, let us wait for the Immigration Committee. I say we should not wait for any committee. We have this proposal before this House now. Why kick it out? I know what it all amounts to. It is the same old story—kick the foreign-born around. He cannot vote, he cannot hurt you, but I tell you that the American people want to see this war won, and they want to see unity. They want unity to achieve victory and will fight against efforts which will divide our peoples, efforts which array group against group, class against class, race against race, native-born against foreign-born. This amendment does just that. It causes disunity and division, and thereby aids the enemy. This is an anti-Fascist war, and I resent this hysteria of foreign-born baiting which is going on the floor of this House this afternoon. It is rank nazism.



Mr. MASON. Mr. Chairman, I move to strike out the last two words.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield for me to submit a unanimous-consent request?

Mr. MASON. I yield.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MASON. Mr. Chairman, I rise to correct the statement which the gentleman from Texas [Mr. SUMNERS] made to the effect that this title in this bill is the same as a bill that the Immigration and Naturalization Committee has voted out. It is not. There are vital differences. I call the attention of the gentleman to that fact, and say that so far as the Committee on Immigration and Naturalization is concerned, we have no objection to striking this entire title out of the bill, and then bringing up for consideration of the Naturalization and Immigration Committee a bill which should have properly come from that committee in the first place.

Mr. SMITH of Ohio. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SMITH of Ohio. Mr. Chairman, I don't think it is clear exactly as to what is contained in the amendment proposed by the committee, submitted by the gentleman from Texas [Mr. SUMNERS]. As I understood the matter some reference was made to page 18. I don't understand how the committee amendment affects the provision beginning in line 3 on page 18 which is, I believe, incompatible with the committee amendment. I would like to have clarification on that point.

The CHAIRMAN. That is not a parliamentary inquiry. Of course, if the gentleman desires to come to the Clerk's desk he can examine the amendment which has already been adopted.

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent that the amendment offered by the committee be again read.

The CHAIRMAN. The Chair understands the gentleman desires to have again read the amendment which has been already agreed to?

Mr. SMITH of Ohio. I would like to have it read.

The CHAIRMAN. Without objection, the Clerk will read the amendment already adopted, offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas as a committee amendment: Page 17, line 23, after the word "age", insert the following: "who is a legal resident of the United States or any of its Territories or possessions at the time of his enlistment or induction and."

Mr. JENKINS of Ohio. Mr. Chairman, if the Chair will permit, we are now considering the Starnes amendment, are we not?

The CHAIRMAN. The gentleman is correct.

Mr. DONDERO. Mr. Chairman, with the world inflamed by war, American citizenship perhaps is one of the most valuable possessions that any of us can have today. Title XI of the pending bill removes nearly all restrictions and safeguards in obtaining it. To cheapen it in this way is a step we should not take. No declaration of intention, no certificate of arrival and no period of residence within the United States is required. Open the door to anyone, to any alien, even though he knows nothing about our country, its laws, or the Government; without ever setting foot on the soil of the United States, and you cheapen American citizenship and destroy respect for it. I recognize the force of the argument that if an alien is willing to die for this country in the uniform of a soldier, he would be a good citizen. Our naturalization laws provide a period of assimilation. The wisdom of that requirement is apparent. To relax the provisions of law reasonably in favor of the alien in uniform would have my approval, but to open wide the door as provided in section 701 of title IX of this bill is a step I am unwilling to take. He may stand in the front row of our Army, or alongside of a foreign-born alien, who has become a citizen, who took the trouble and the time and expense to become a citizen and stand on equal terms with him. Let us be sure that the alien who takes the oath of citizenship understands that with the rights and privileges of citizenship also go duties and responsibilities of citizenship.

Mr. CAPOZZOLI. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I have only 3 minutes. This provision goes too far. In my judgment, we should wait until a proper committee of this House could bring before us a carefully considered bill to relax the restrictions on citizenship in respect to aliens who serve in the armed forces of the United States; but to say to them without any understanding of the fundamental principles of our Government that they may have all of the privileges of a native-born citizen, or a foreign-born person who has gone to all the trouble of becoming a citizen, is going too far and is wide of constructive legislation. I think the Starnes amendment to strike title XI from the bill ought to be adopted, and that we should wait until the Committee on Immigration and Naturalization presents to the House a carefully prepared bill on this subject before we open the door of citizenship too far.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REES of Kansas. Mr. Chairman, it was the view of the Committee on Immigration and Naturalization that the subject matter of this legislation should have been handled by that committee, but I do not think that that committee wants to raise any particular question on that point. It is my notion, now the legislation is before us, we try, if possible, to amend this legislation to the satisfaction of the House.

If the committee desires to send it back to the Committee on Immigration and Naturalization, we will give it careful study and try to bring in a bill that

will be satisfactory. However, we are also willing to go along here and offer some amendments.

Let me state the purposes of the bill. It was intended to bring in a measure that would give to the present soldiers and sailors the same right of naturalization given to those during the World War. There have been some additions to it. Attention has been called to that. We propose to amend the bill to provide that only those legally admitted to the United States can become citizens. We also propose to amend it in some other respects. But we must have some legislation on this question in the rather immediate future, because there are at least two situations that should be carefully examined and attended to. One of them is this: We have many former Americans now serving in the allied armies.

Included in this legislation is a provision whereby we can make those soldiers citizens of the United States so that they can become members of our own forces.

There is also another subject that needs attention. There are aliens, legal residents of the United States, who are also in the allied armies who want to join the American military forces. We need legislation to take care of that question. Those are two proposals that should be taken care of soon.

There is another matter that has been mentioned. There is this difference between the World War legislation and the legislation before us. This provides that members of our armed forces may be admitted to citizenship through an official of the Department of Justice rather than through a court, although the certificate and other papers are filed in the jurisdiction where the applicant resides. The reason given is that during the World War a great many petitions were filed through representatives of the Department of Immigration and they were never heard in the courts because the soldier thought that because the petition was filed in the court that was the end of it and he was a citizen. So we have tried to take care of that question.

Of course, the House can do just as it chooses. We will do the best we can to bring in a clean bill, or if you defeat the Starnes amendment we will try to amend the bill now so that it will be satisfactory. A bill was introduced in the House similar to the bill under consideration, but amendments have been agreed to by members of the Committee on Immigration and Naturalization that would, in my opinion, meet most of the objections that have been raised this afternoon. So the bill approved by our committee would be changed considerably if our amendments are accepted.

The CHAIRMAN. The gentleman from Michigan [Mr. RABAUT] is recognized.

Mr. RABAUT. Mr. Chairman, I requested this time in order to ask the chairman of the committee if he would please turn to page 18 of the bill, line 3. In prefacing my remarks I yield to no one in my devotion to favorable legislation for the alien. Many times on this floor have I raised my voice in defense of their rights. But the broadness of the



language in line 3, on page 18, causes me some apprehension:

No declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required.

Does that mean a person can be brought into this country simply because he has served in the armed forces and become a citizen?

Mr. SUMNERS of Texas. Yes; that is the language.

Mr. RABAUT. A person could become a citizen who has never even seen the shores of this country?

Mr. SUMNERS of Texas. A motion would have to be made to strike out the language the gentleman has just read in order to make the bill conform to an amendment which the House has adopted.

Mr. RABAUT. I have the highest respect for the chairman of the Committee on the Judiciary, Judge SUMNERS, but I think there is so much of this legislation to be perfected that it should be passed over today. This legislation is too important to be written on the floor of the House.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman from New York [Mr. CELLER] is recognized.

Mr. CELLER. Mr. Chairman, one of the reasons why this title was added to the bill is very succinctly expressed in a statement made before the Senate Judiciary Committee by Mr. Townsend, a representative of the Department of Justice. He pointed out that we have many aliens in this country who are nationals of Hungary, Sweden, Norway, Denmark, Belgium, and other countries occupied by the Axis. They are aliens. They enlist in our armed forces. If they enlist in our Army as aliens and remain such, but happen to be captured by the Germans or any of the Axis enemies, they would be shot as traitors. On the other hand, if we give them the privilege of becoming citizens and they embrace the privilege they would not be shot as traitors, but they would be accepted as prisoners of war, since they are American citizens. You will find that in the Senate hearings, page 29.

Now, you are going to put a stigma upon these men who are willing to go through the valley of the shadow of death, who are willing to make the supreme sacrifice. You are telling them—"We want your aid, we want you as soldiers. We need you to destroy the Nazis, the Japs, the Fascists, but we will not waive rigid requirements in order to naturalize you." We reward brave aliens by insulting them. We do all we can to discourage their enlistment. Many of these aliens whom you cannot draft under the Selective Service Act, are willing to enlist and are enlisting daily in great numbers. Yet you put them in that extreme danger of being shot as traitors if they should be captured. I think we should think carefully before we do this.

Pass this so-called Starnes amendment, striking out title XI, and see how enlistments of aliens will decline. If you

were an alien would you enlist in the cause of a nation that treats you so shabbily, so shamefully?

Furthermore, we are doing nothing more by this title XI than we did during the last war. It was testified before the committee that title XI of the bill establishes a policy set forth by the Congress during the last World War, with only one exception.

As pointed out by Mr. Townsend, of the Department of Justice, the soldier alien can be naturalized by not having to appear before a court. To make it more convenient for him we set up naturalization tribunals as convenient as possible in the corps areas where the alien soldier may be. These tribunals shall be made up of representatives of the Naturalization Service.

With these admonitions in mind, I ask you to think carefully before you accept the Starnes amendment. The committee amendment, as amended, gives ample protection. We see to it particularly that the alien is a legal resident of the United States or its possessions before he can secure citizenship. Aliens not legal residents are precluded.

Attorney General Biddle, in advocating title XI in his prepared statement, stated:

Title XI of the bill establishes a policy set forth by Congress during the last World War. It provides that aliens honorably serving in our armed forces during the present war may acquire citizenship, regardless of race, age, length of service, and education. It also provides for speeding up the processes of naturalization, including a provision for naturalization without appearance before a court if the person to be naturalized is not within the jurisdiction of any naturalization court.

Finally, we cannot in good conscience strike out of the bill exactly the relief that we granted during the last World War.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Texas [Mr. SUMNERS] is recognized.

Mr. SUMNERS of Texas. Mr. Chairman, I am seeking by an amendment to correct the text. May I submit a unanimous-consent request that in view of the discussion the bill reported by the Committee on Immigration and Naturalization, H. R. 6439, dealing with the same subject matter as the provision of the bill now being considered, the bill H. R. 6439 now being on the calendar of the House, be printed in the RECORD for information following immediately the provision we are now discussing.

Mr. SPRINGER. Mr. Chairman, reserving the right to object, the gentleman has just mentioned the bill H. R. 6439, which is now pending on the Consent Calendar. May I say I have compared that bill with the title now under consideration by the committee. They are identical in all respects except one little thing.

Mr. SUMNERS of Texas. That is what I thought.

Mr. STARNES of Alabama. Reserving the right to object, Mr. Chairman, the gentleman from Texas asks to have it printed merely for information; is that the idea?

Mr. SUMNERS of Texas. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

The bill H. R. 6439 (Rept. No. 1710) is as follows:

*Be it enacted, etc.,* That the Nationality Act of 1940 (54 Stat. 1137) is hereby amended by adding thereto a new title as follows:

#### "TITLE III

"Sec. 701. Notwithstanding the provisions of sections 303 and 326 of this act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war may be naturalized upon compliance with all the requirements of the naturalization laws except that (1) no declaration of intention and no certificate of arrival and no period of residence within the United States or any State shall be required; (2) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner; (3) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test; and (4) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certificate of naturalization, if issued: *Provided, however,* That (1) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States, and (2) the service of the petitioner in the military or naval forces of the United States shall be proved by affidavits, forming part of the petition, of at least two citizens of the United States, members or former members during the present war of the military or naval forces of the noncommissioned or warrant officer grade or higher (who may be the witnesses described in clause (1) of this proviso), or by a duly authenticated copy of the record of the executive department having custody of the record of petitioner's service, showing that the petitioner is or was during the present war a member serving honorably in such armed forces. The petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the witnesses required by the foregoing proviso shall have appeared before and been examined by a representative of the Immigration and Naturalization Service.

"Sec. 702. During the present war, any person entitled to naturalization under section 701 of this act, who while serving honorably in the military or naval forces of the United States is not within the jurisdiction of any court authorized to naturalize aliens, may be naturalized in accordance with all the applicable provisions of section 701 without appearing before a naturalization court. The petition for naturalization of any petitioner under this section shall be made and sworn to before, and filed with, a representative of the Immigration and Naturalization Service designated by the Commissioner or a Deputy Commissioner, which designated representative is hereby authorized to receive such petition in behalf of the Service, to conduct hearings thereon, to take testimony concerning any matter touching or in any way affecting the admissibility of any such petitioner for naturalization, to call witnesses, to administer oaths, including the oath of the petitioner and his witnesses to the petition for naturalization and the oath of renunciation and allegiance prescribed by section 335 of this act, and to grant naturalization.



"SEC. 703. The 90 days' notice required by subsection (b) of section 326 of this act to be given by the clerk of the naturalization court to the Commissioner may be waived by the Commissioner in his discretion. In any petition in which such notice is waived, the Commissioner shall cause the clerk of court to be notified to that effect.

"SEC. 704. The provisions of this title shall not apply to (1) any person who during the present war is dishonorably discharged from the military or naval forces or is discharged therefrom on account of his alienage, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any person who is under charges by the military or naval authorities, or who has been convicted by a court martial and is under sentence of such court martial.

"SEC. 705. The Commissioner, with the approval of the Attorney General, shall prescribe and furnish such forms, and shall make such rules and regulations, as may be necessary to carry into effect the provisions of this act.

"SEC. 706. This title shall take effect from the date of its approval."

Mr. SUMNERS of Texas. Mr. Chairman, I offer an amendment, which is at the desk.

Mr. NICHOLS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLS. Mr. Chairman, I make the point of order that there is an amendment pending which has not been disposed of.

The CHAIRMAN. That is true, and there may be other amendments pending.

Mr. NICHOLS. I did not understand that this was an amendment to the amendment.

The CHAIRMAN. The Chair does not know, either. It has not been reported.

Mr. NICHOLS. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLS. If the amendment is an amendment to the pending amendment it would, of course, be in order, but if it is a separate and independent amendment, should not the amendment offered by the gentleman from Alabama [Mr. STARNES] be disposed of before this amendment is considered?

The CHAIRMAN. The Chair does not know until the amendment is reported. It might be a substitute for the amendment.

Mr. SUMNERS of Texas. Mr. Chairman, I suggest that the amendment be read for information. I may say to the gentleman from Oklahoma that probably this amendment should have been offered earlier as it is for the correction of the text in order to make the text conform to language which has already been incorporated in the bill by amendment.

Mr. STARNES of Alabama. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STARNES of Alabama. Can such a proposed amendment be read for information without unanimous consent of the House?

The CHAIRMAN. It not only can be read, but it can be offered; and, in fact, if it is to be offered, now is the proper

time. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas as a committee amendment: On page 18, lines 3 and 4, strike out in lines 3 and 4 the words "no certificate of arrival and no period of residence within" and insert in lieu thereof the words "to become a citizen of."

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLS. As I understand it, the Chair now rules that the Sumners amendment, an independent amendment is in order to be considered and voted upon before the Starnes amendment is disposed of?

The CHAIRMAN. The gentleman is correct.

If the Chair may be indulged, the Chair will state that any perfecting amendment must be considered and acted upon before a motion to strike out the section or the title is considered, the theory being perfectly reasonable and logical: The text may be amended so there will not be a desire to strike it out. For this reason any perfecting amendments must be considered and acted upon before an amendment to strike out the section or the title is acted upon.

Mr. NICHOLS. Mr. Chairman, a further parliamentary inquiry, and I am not trying to delay the Chair, but simply desire to be informed.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLS. If the perfecting amendment is adopted and the Starnes amendment is then voted down, since the text of the section has been changed after the Starnes amendment was offered, would it then be in order to offer another amendment to strike the new text as perfected?

The CHAIRMAN. No; because the Starnes amendment would strike out the title as amended unless the gentleman from Alabama wanted to make some alterations.

Without objection, the Clerk will again report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. SUMNERS of Texas to the committee amendment: Page 18, strike out in lines 3 and 4 the words "and no certificate of arrival and no period of residence within" and insert in lieu thereof the words "to become a citizen of."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. SUMNERS].

The amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Alabama [Mr. STARNES] to strike out the title.

The question was taken; and on a division (demanded by Mr. STARNES) there were—ayes 72, noes 69.

Mr. MARCANTONIO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. McLAUGHLIN and Mr. STARNES to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 137, noes 71.

So the amendment was agreed to.

The Clerk read as follows:

TITLE XII—ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER THE WAR PROGRAM

SEC. 1201. To further the war program of the United States, the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other property, real or personal, or services, made on condition that it be used for a particular war purpose.

SEC. 1202. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of property other than money.

SEC. 1203. There shall be established on the books of the Treasury a special deposit account to be designated as the "War Contributions Fund," into which shall be deposited all money received as a result of such gifts.

SEC. 1204. The Secretary of the Treasury, in order to effectuate the purposes for which gifts accepted under this act are made, shall from time to time allocate the money in such special deposit account to such of the various appropriations available for the purchase of war material and the furtherance of the war program of the United States as in his judgment will best effectuate the intent of the donors, and such money is hereby appropriated and shall be available for expenditure for the purposes of the appropriations to which allocated.

With the following committee amendment:

Page 22, line 1, strike out the word "act" and insert the word "title."

The committee amendment was agreed to.

Mr. FORAND. Mr. Chairman, I move to strike out the last word.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 7 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

Mr. FORAND. Mr. Chairman, earlier this week I offered to the membership of this House, and through them to the Nation, a suggestion whereby people could purchase 25-cent savings stamps, cancel them, and send them to the President as a contribution to the war effort.

The first response to that came to me a couple of days ago. I hold in my hand 100 stamps of 25-cent denomination that were purchased and canceled, and sent to me to be presented to the President, which I hope to do next week. These were purchased by my own post of the American Legion back home.

That post has exactly 100 members and for each member there is a stamp here. I want to publicly acknowledge this gift of the James Stanton Post, No. 5, of the American Legion, of Central Falls, R. I., and assure my comrades that I appreciate their prompt and generous response.

(Mr. FORAND asked and was given permission to revise and extend his own remarks in the RECORD.)



The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 1205. The Secretary of the Treasury shall include in his Annual Report to the Congress a summary of the gifts made and accepted under this act.

With the following committee amendment:

Page 22, line 12, strike out the word "act" and insert the word "title."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 1206. Whoever shall solicit any gift of money or other property, and represent that such gift is being solicited for the use of the United States, with the intention of embezzling, stealing, or purloining such gift, or converting the same to any other use or purpose, or whoever, having come into possession of any money or property which has been donated by the owner thereof for the use of the United States, shall embezzle, steal, or purloin such money or property, or convert the same to any other use or purpose, shall be guilty of a felony and upon conviction thereof shall be fined not more than \$5,000 or imprisoned for not more than 5 years, or both.

(Mr. VORYS of Ohio asked and was given permission to revise and extend his own remarks in the RECORD.)

The Clerk read as follows:

#### TITLE XIII—COINAGE OF 5-CENT PIECES

SEC. 1301. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this act and prior to December 31, 1946, to be one-half silver and one-half copper: *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals to a volume not to exceed 10 percent of the total content thereof, if such action would be in the public interest. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.

With the following committee amendments:

Page 23, line 4, strike out the word "act" and insert the word "title."

Page 23, lines 9 and 10, strike out the words "to a volume not to exceed 10 percent of the total content thereof."

The committee amendments were agreed to.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time during debate on the pending war-powers bill not because what I shall say particularizes on any point which we are now discussing, but because I desire to call attention to what I believe is a very unfortunate and unnecessary situation.

There are far too many announcements being made by our Departments of War and Navy to the American people and to the world which are contradictory and give rise to uneasiness among our citizens and encourage our enemies. I recognize full well that carping criticism of the war effort is undesirable. I would never add my voice to such procedure. In my opinion, however, when

a Member of this Congress has a deep feeling regarding our war effort and believes that out of honest discussion there can come truth and light, that Member must never hesitate to make his views known. Thought-provoking criticism, based on a genuine conviction, must be welcomed in this House, rather than discouraged.

I direct your attention to the fact that 3 days ago the Secretary of the Navy announced that the reported attack on the west coast was false and that there were no enemy aircraft approaching from the ocean over California. Less than 24 hours later the Secretary of War made an announcement that the alarm was real. Within a few hours we have the Secretary of the Navy saying the reported raid was false and the Secretary of War saying the supposed attack was real. What are we to believe? It is inconceivable that we continue to have such stories circulated from official sources.

If we are to have clear thinking on the part of the American people in regard to the prosecution of this war, it must stem from the military authorities themselves. How we can expect other than confusion among the patriotic citizens of the United States when such opposing announcements as this are made is beyond my honest comprehension.

There are those of us who have advocated for many, many years that we should have in this country one supreme command, and under that command separate authorities for the Army, the Navy, and the air force. However, we have been denied even the opportunity to have such legislation heard before the committees of this Congress. I do not wish to discuss that question this afternoon. I have taken time to direct attention of the Congress on previous occasions to failure of our committees to hear discussed in an informative and straightforward manner such proposals which have been made by the Members of this body.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from New York.

Mr. REED of New York. I do not know what the experience of the gentleman or of my colleagues has been, but I am receiving letters wanting to know if this statement or that statement made by different officials is true, and I am not in a position to tell these people what the truth is.

Mr. RANDOLPH. Of course not. Our people want authentic information. They know not what to believe. For the Secretary of the Navy to say one day that the trouble on the west coast was false and for the Secretary of War to say the next day that it was real is absolutely indefensible.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from California.

Mr. VOORHIS of California. What concerns me about this matter is the people of our section.

Mr. RANDOLPH. Certainly, they are in the dark.

Mr. VOORHIS of California. They were pretty fine throughout this whole business. All in the world they want is a simple statement upon which they feel they can absolutely rely. I am confident they are going to get that, and I think it is very important that they do get it.

Mr. RANDOLPH. I thank the gentleman, and I join in the hope that a common ground on which we can stand can be soon found. The American people, if told the actual happenings, will always respond to the truth. They are not children. They are sober and understanding men and women.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from California.

Mr. HINSHAW. In connection with the statement by the Secretary of War, may I say that I was told on the following day by three different sources in the War Department, not by the Secretary, that they did not believe it was necessarily enemy planes that came over the Los Angeles area. Then the Secretary of War came out and refuted the statements made by representatives of his own Department.

Mr. RANDOLPH. I am sorry these divergent and misleading statements have been made. If they were rumors I would not discuss them, but I have checked and have found that they were given to the press by the Secretary of the Navy and the Secretary of War. I call on our Commander in Chief to stop this unwarranted situation.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I hope the members of the committee will aid us in trying to get through with the consideration of this bill. I have no purpose to lecture anybody, but I hope that we can hold the discussion to the provisions of the bill under consideration. I have not objected to any extraneous discussion heretofore, but I shall object hereafter.

The Clerk read as follows:

SEC. 1302. For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: *Provided*, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: *Provided further*, That the gain from the minor coinage provided for by this title shall be accounted for by entries in the minor coinage profit fund.

SEC. 1303. No silver-copper ingots shall be used for the minor coinage provided for by this title which differ from the legal standard by more than ten-thousandths. In adjusting the weight of such minor coins there shall be no greater deviation allowed than four grains for each piece.

SEC. 1304. For the purpose of section 3529 of the Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent pieces provided for by this title shall be deemed to be copper.

SEC. 1305. Upon redemption any 5-cent pieces coined in accordance with the provi-



sions of this title shall after December 31, 1946, be allocated to the Director of the Mint for melting and for subsidiary silver coinage. Any 5-cent pieces coined in accordance with the provisions of this title but not issued by the mint may after December 31, 1946, be allocated, in such amounts and at such times as the Secretary of the Treasury in his discretion may determine, to the Director of the Mint for melting and for subsidiary silver coinage. All 5-cent pieces allocated to the Director of the Mint in accordance with this section shall be accounted for by entries in the fund established for the purchase of silver bullion for subsidiary silver coinage. Upon coinage into subsidiary silver coins of the metal contained in the 5-cent pieces so allocated, the gain shall be accounted for by entries in the silver-profit fund.

Sec. 1306. This title shall become effective 60 days after approval.

#### TITLE XIV—INSPECTION AND AUDIT OF WAR CONTRACTORS

Sec. 1401. The provisions of section 10 (1) of an act approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (1)) (giving the Government the right to inspect the plant and audit the books of certain contractors), shall apply to the plant and books of any contractor with whom a defense contract has been placed at any time after the declaration of emergency on September 8, 1939, and before the termination of the present war: *Provided*, That, for the purpose of this title, the term "defense contract" shall mean any contract, subcontract, or order placed in furtherance of the defense or war effort: *And provided further*, That the inspection and audit authorized herein, and the determination whether a given contract is a "defense contract" as defined above, shall be made by the agency placing such contract or order or the contract or order under which such subcontract was placed, or by the Chairman of the War Production Board.

With the following committee amendment.

Page 25, line 12, strike out "and books" and insert "books, and records."

The committee amendment was agreed to.

Mr. McLAUGHLIN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. McLAUGHLIN: On page 25, line 21, after "by", strike out the remainder of the line and all of line 22 and the first two words on line 23 and insert "a governmental agency or officer designated by the President."

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 1402. The provisions of sections 9 and 10 of the act of September 26, 1914 (38 Stat. 722), are hereby made applicable to the jurisdiction, powers, and duties of any agency or of the Chairman of the War Production Board acting hereunder. Any person who shall, without just cause, fail or refuse to attend or testify or to comply with any order or subpoena issued under this title, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not less than \$1,000 nor more than \$5,000, or to imprisonment of not more than 1 year, or both.

With the following committee amendment:

On page 25, beginning in line 25, strike out all of section 1402 and insert the following:

"Sec. 1402. For the purpose of obtaining any information or making any inspection or audit pursuant to section 1401, any agency acting hereunder, or the Chairman of the

War Production Board, as the case may be, may administer oaths and affirmations and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be deemed relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpoena issued with respect thereto, such person furnishes such agency or the Chairman of the War Production Board, as the case may be, with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with such agency or the Chairman of the War Production Board, as the case may be, as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this section, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. Such agency or the Chairman of the War Production Board shall not publish or disclose any information obtained under this title which such agency or the Chairman of the War Production Board deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless such agency or the Chairman of the War Production Board determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding 2 years, or both.

"Sec. 1403. In case of contempt by, or refusal to obey a subpoena issued to, any person, any agency acting hereunder, or the Chairman of the War Production Board, as the case may be, may invoke the aid of any court of the United States within the jurisdiction of which any investigation or proceeding under this title is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, records, or other documentary or physical evidence. And such court may issue an order requiring such person to give testimony or produce any books, records, or other documentary or physical evidence touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or

wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, records, or other documentary or physical evidence, if in his power to do so, in obedience to the subpoena of any agency acting hereunder, or the Chairman of the War Production Board, as the case may be, shall be guilty of a misdemeanor, and upon conviction shall be subject to a fine of not more than \$5,000, or to imprisonment for a term of not more than 1 year, or both.

"Sec. 1404. For purposes of this title, the term 'person' shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 29, beginning in line 16, insert the following:

#### "TITLE XV—UTILIZATION OF VITAL WAR INFORMATION

"Sec. 1501. The Secretary of Commerce is authorized, subject to any regulation or direction that the President may issue, to make such special investigations and reports of census or statistical matters as may be needed in connection with the conduct of the war. In carrying out the purpose of this section, the Secretary is further authorized to dispense with or curtail any regular census or statistical work of the Department of Commerce, or any bureau or division thereof. Any person, partnership, firm, or corporation who shall refuse or willfully neglect to answer any questions in connection with any special investigations made under this section, or who shall willfully give answers that are false, shall be fined not exceeding \$500 or imprisoned for a period of not exceeding 60 days, or both.

"Sec. 1502. That notwithstanding any other provision of law, any record, schedule, report, or return, or any information or data contained therein, now or hereafter in the possession of the Department of Commerce, or any bureau or division thereof, may be made available by the Secretary of Commerce to any branch or agency of government for use in connection with the conduct of the war, subject to any regulations that the President may issue. No person shall disclose or make use of any individual record, schedule, report, or return, or any information or data contained therein contrary to the terms of such regulations; and any one violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding 2 years, or both."

Mr. MOSER. Mr. Chairman, I make a point of order against the committee amendment.

The CHAIRMAN. The Chair will be pleased to hear the gentleman on the point of order.

Mr. MOSER. Mr. Chairman, this legislation had its genesis last spring when the new Director of the Census went to the Director of the W. P. A. and sought an additional sum of money, \$56,983, to take another population census of Washington only a year after the regular decennial census, and one of housing, and before the result thereof was available. The proposal being rejected by Mr. Hunter, he appeared before the Bureau of the Budget. Thereupon there appeared in the Washington Star an account of its rejection.



The CHAIRMAN. If the gentleman will indulge the Chair, the Chair desires to hear the gentleman on the point of order.

Mr. MOSER. I am anxious to get to that, Mr. Chairman. However, I will point out that the definite point of order is as much what the proposed legislation is about as what the point of order would consist of.

The CHAIRMAN. What is the ground for the gentleman's point of order?

Mr. MOSER. The point of order is very definitely that the Constitution of the United States provides that the first census should be taken within 3 years from the convening of the first Congress and every 10 years thereafter. This title contains this provision:

The Secretary is further authorized to dispense with or curtail any regular census or statistical work of the Department of Commerce, or any bureau or division thereof.

The CHAIRMAN. The Chair will be pleased to hear the gentleman on his point of order.

Mr. MOSER. The objective being to take sample censuses, the Director of the Census appeared at my office, and when I asked him what he meant by sample censuses he very definitely told me that it was comparable to the Gallup poll. Now on last Friday in the Washington Post, on page 11, appeared a Gallup poll account of this proposal which I will ask the Clerk to read.

The CHAIRMAN. Of course, the gentleman may ask unanimous consent to have the article read, but the Chair is not able to understand how that has a bearing on the point of order.

**THE GALLUP POLL—FEDERAL PLAN FOR ANNUAL CENSUS INDICATES GROWING RECOGNITION OF SCIENTIFIC SAMPLING**

(By Dr. George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., February 19.—A step of far-reaching importance in governmental practice is being proposed by the Bureau of the Census in Washington.

It is a plan for an annual census of population, labor force, and housing based on sampling principles commonly used in polls of public opinion. The plan, if carried through, will enable the Bureau to report total population and other census data every year, instead of every 10 years, with virtually the same degree of accuracy—possibly even with greater accuracy—and at a small part of the cost of the 10-year census.

#### NOVEMBER 2 ENUMERATION

The plan is being discussed by officials of the Department of Commerce with a view to submitting a request for funds to the Bureau of the Budget. A specific date, November 2 of this year, has already been tentatively proposed as the day on which the enumeration will take place.

Many people recognize that the usefulness of the 1940 census is already impaired in many respects owing to the shifts in population brought about by conversion of industry to a war basis and other economic dislocations. It is also widely recognized that an annual census conducted by the sampling or cross-section method can actually be just as accurate as the regular 10-year census, and can produce a wide variety of up-to-date information at a fraction of the cost of the regular census which attempts to count everybody in the country.

#### HIGH ACCURACY POSSIBLE

The census of 1940 was made by approximately 20,000 field enumerators, many of

whom had no previous training for the job of counting the population. Under the new sampling-census plan, enumerators will be hand-picked for their skill and intelligence, and can be expected to do a better job than the average enumerator in the regular 10-year census.

No sampling poll or census can, of course, be completely accurate, but, as a matter of fact, no decennial census of the whole population is ever completely accurate, either.

The institute found, for example, in a special survey, that the 1940 census was 99 percent accurate—that approximately 1 percent of the population had been missed by the enumerators.

#### SAMPLES 5 PERCENT OF TOTAL

The new sampling census plan proposes to estimate the population by enumerating 5 percent of the total, which would mean approximately 1,650,000 families. Expectations of the range of probable error in the results run from as low as four-tenths of 1 percent to 1 or 2 percent.

Dr. Philip M. Hauser, assistant chief statistician for population of the Bureau of the Census, says:

"It can be demonstrated that for a city having 1,000,000 or more inhabitants with a normal amount of migration, the total population, based on a 5 percent sample, can, on the average, be estimated with an error of less than four-tenths of 1 percent, and with an error that will very rarely be as great as 1 or 2 percent. Populations of smaller cities can be estimated with proportionately greater error."

Mr. MOSER. Such is my purpose, Mr. Chairman. It definitely points out, Mr. Chairman, that they propose to supercede the censuses provided for by the Constitution and by law directed and do away with the employment every decade of upward of 20,000 inexperienced, untrained, and unskilled employees to take a decennial census and do it by the sample method through experts technically chosen for it. Mr. Gallup accepts it and lauds it in support of his proposed sampling. This is exactly what the article covers. The proposal definitely is linked, first, with taking sample censuses, as explained by the Director of the Census, which would be equivalent to a Gallup poll. Here we have legislation which is exposed by the Gallup poll in an article last Friday that very definitely says it is a justification of the processes by which the Gallup poll determines a cross section of opinion, and it is to be substituted for the census.

Mr. SUMNERS of Texas. Mr. Chairman, a parliamentary inquiry, if I may submit it. We are not able to hear the statement of the gentleman's point of order and do not know what the point of order is. If his point of order is that this section has no constitutional warrant, I make the objection that that is not a proper point of order.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. MOSER] desire to be heard further on the point of order?

Mr. MOSER. Yes, Mr. Chairman. The Constitution says that—

The actual enumeration shall be made within 3 years after the first meeting of the Congress and then every subsequent term of 10 years in such manner as they shall, by law, direct.

This is a part of the Constitution.

The CHAIRMAN. Will the gentleman kindly invite the Chair's attention to the

rule of the House or the precedent of the House which places upon the Chair the responsibility of passing upon the constitutionality of the provision included in the bill under consideration?

Mr. MOSER. If the Chair will bear with me, when I mentioned it to the distinguished gentleman from Tennessee the other day, he said it would depend upon the matter involved and how it would be presented. That was the statement made when I sought the information. It is such ruling that I ask now.

The CHAIRMAN. Is the gentleman prepared to invite attention to the provisions of any rule or precedent on the point of order?

Mr. MOSER. I am not, Mr. Chairman.

Mr. SUMNERS of Texas. Mr. Chairman, I want to make the point of order that, as I understand the point of order of the gentleman, his point of order is not in order.

The CHAIRMAN. The Chair is prepared to rule.

Fortunately for the Chair, the Chair does not have the responsibility of passing upon the question of constitutionality of any provision of a bill that is under consideration. Therefore, the Chair overrules the point of order made by the gentleman from Pennsylvania and sustains the point of order made by the gentleman from Texas.

The question is on the committee amendment. Does the gentleman from Pennsylvania [Mr. MOSER] desire to be heard on that amendment?

Mr. MOSER. I desire to be heard in opposition, and there is an amendment there suggested by the Director of the Budget.

The CHAIRMAN. Does the gentleman desire to offer an amendment to the committee amendment?

Mr. MOSER. I will offer it after I have spoken in opposition to the committee amendment.

The CHAIRMAN. Does the gentleman desire recognition in opposition to the committee amendment?

Mr. MOSER. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. MOSER. Mr. Chairman, I would not want to enter into any jurisdictional dispute about the matter which was placed before the Committee on the Census. We had hearings on this proposal and went into it to considerable extent and thereupon the energy of the new Director of the Census was such that he proceeded to the Attorney General who prepared a proposed Executive order for the President to issue to suspend the manufactures census and the Attorney General furnished me that copy. They decided not to use it because they held the President did not have authority to do it. Next, the Director of the Census appeared before the Budget and the Director of the Budget caused this letter to be sent to me, dated January 17 of this year, submitting an appendix A in the form of a draft of a bill that the Director of the Census prepared and proposed to have included in this omnibus bill or the second war powers bill.

This was furnished me by the Director of the Budget and is, word for word,



identical with the provision in this bill except for a very few immaterial deletions of a few words. That was furnished me by the Director of the Budget. The Budget Director turned down the Director of the Census on the proposal. I was astonished when Mr. South Trimble, Jr., came to my office recently and told me that he had been before the subcommittee of the Committee on the Judiciary for the purpose of having this proposal included, saying it applied to the Bureau of Domestic and Foreign Commerce of the Commerce Department and sought authority for the Secretary of Commerce. However, when I made a comparison of what he proposed to put through the Budget and what the Attorney General had shunned, I found it was so similar and told him I would not ignore the committee I had the honor to head and make objection to it on the ground of disclosure as a consequence of extensive hearings that we held. The Attorney General has assured me that in due season he will help us draft the type of legislation needed. The Committee on Appropriations, through Mr. Shield, whom everyone knows, made a suggestion as to what language shall be used in order to impound appropriations already authorized to take the manufactures census, not intended to be used but which was proposed in this bill that was rejected by the Bureau of the Budget, to be turned over to the Census Bureau to be used for some other purpose.

I think that under the circumstances and what I have placed before you in respect to a proposal on the part of the census to obtain by this legislation authority for the Secretary of Commerce to suspend any census, which, of course, includes the decennial census of population, and therefore undertake to take this so-called sampling census through the country by these so-called experts, and do it on a sampling basis, that involves going back of the Constitution and the manner in which the census is by law taken. The Director of the Census came to my office and called it comparable to the Gallup poll. Now, Dr. Gallup in his write-up of last week points out that it is proposed to start taking the annual census of population and of housing, to start on November 2 of this year. Where Dr. Gallup gets that from I do not know, except that there must be a secret understanding on the part of the bureaucrats, and I would remind the House that for the first time in 150 years of the Government taking of the census, a special act of the Congress authorizing them to take a census of housing was passed, which was for the Sixteenth Decennial Census to be taken in 1940. That was the first time, and that naturally has expired. I put that to the Director of the Census, and he said, "Oh, that is implied authority, and we can go ahead and do it again." I said not without a special act of Congress, but here we have an approbation upon the part of Dr. Gallup, and that is exactly what is proposed and was contemplated from the genesis of the present bill when it came before the Committee on the Census. I dare say they were working in close collaboration, because the Director of the Census

called it comparable to the Gallup poll when he proposed it in the first place.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. I doubt that I can say anything that has not already been said about the Smith amendment, which provides that the Federal Reserve bank shall not at any time purchase more than \$5,000,000,000 in any Government or other securities; but it is a matter of such great importance that I invite your attention to the fact that if that amendment should become law, it would mean high interest rates, and high interest rates all of the time. That is all it would mean. It would mean that the Government would be compelled to pay brokerage fees on all of the bonds that the Federal Reserve banks purchase. As positive and conclusive evidence that that statement is true, on Saturday, December 6, before Pearl Harbor, a certain amount of bonds had been offered to the bond-purchasing public of the country.

When the news of the Pearl Harbor incident came out on Sunday the Federal Reserve banks were apprehensive and the Treasury was apprehensive that these bonds would not be subscribed for at par. So the Federal Reserve banks immediately got on the wire and let the large banks know that if they bought these bonds, they would actually pay them a premium of \$1.30 on every \$100 that they bought, in order to make sure that they were bought in the market. Under the present law, since 1935 the Federal Reserve banks can purchase bonds in the open market, but they cannot purchase them from the Treasury. From 1933 to 1935 they could purchase them from the Treasury, and there is only one reason, to my mind, why they can consistently argue that they should be purchased in the open market, and that is to compel the Government to pay a brokerage fee to private banks on every sale of Government bonds, and for the purpose of making interest rates go higher and higher and higher. Five billion dollars is a very small amount compared to the national debt of \$150,000,000,000. Remember, the Federal Reserve banks have already purchased approximately two and one-half billion dollars. So that would only leave them a leeway of two and one-half billion dollars to control \$150,000,000,000 worth of bonds which would be absolutely impossible.

I hope the Smith amendment is voted out of this bill.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Ohio [Mr. SMITH] is recognized for 3½ minutes.

Mr. SMITH of Ohio. I relinquish my time, Mr. Chairman.

The CHAIRMAN. The gentleman from California [Mr. HINSHAW] is recognized.

Mr. HINSHAW. Mr. Chairman, I asked for this time to ask the chairman of the committee what is the purpose of this section 1501, where special investigations and reports may be made in connection with the national defense, where people can be fined and imprisoned for failure to answer or present matters?

Mr. SUMNERS of Texas. As explained to the committee—and I think the committee was convinced—this is a provision which would enable the Census Bureau to ascertain facts which may be necessary to have by those agents that are referred to in the legislation, and to prevent those agents from having to set up some fact-finding or information-acquiring organization of their own.

Mr. HINSHAW. Was the gentleman assured there would be no snooping expedition into matters that might in some remote way be related to the war, but still be of value to somebody who would like to have it? Has the gentleman been assured of that?

Mr. SUMNERS of Texas. That would be a pretty big commission for me to take on.

Mr. HANCOCK. This information can only be used by Government agents in the Government interests. This is necessary in connection with the allocation, rationing, and hoarding of materials. I might call attention to one feature of the bill which I have never seen before. It authorizes the Secretary of Commerce to dispense with certain activities in which he is now engaged. That is something new.

Mr. HINSHAW. Will the gentleman assure the House, in accordance with his information, that there is no attempt to set up any supersnooping organization in the United States?

Mr. HANCOCK. That is not the intention of our committee, I can assure the gentleman.

The CHAIRMAN. Does the gentleman from Ohio seek recognition?

Mr. SMITH of Ohio. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 3½ minutes.

Mr. SMITH of Ohio. Mr. Chairman, I should like to ask the committee where this provision we are discussing originated. Who wrote title XV of this bill?

Mr. McLAUGHLIN. This suggestion was at the request of the Commerce Department in order that it might be in a position to furnish material to the other departments which material is deemed necessary in connection with the prosecution of the war, and which it is not now in a position to give to the other departments.

Mr. SMITH of Ohio. We know that the National Resources Planning Board has for some time been making an attempt to get control of the census statistics. What I am wondering is whether it is not that some organization that is back of this proposal. If the purpose of this title is to investigate aliens or get information relating to them for the purpose of preventing sabotage or espionage, that is one thing. But if the purpose of it is along the lines that the National Resources Planning Board is working,



namely a communized state, I think the Congress ought to know about it.

Mr. McLAUGHLIN. Is the gentleman from Ohio directing an inquiry to the gentleman from Nebraska?

Mr. SMITH of Ohio. I am trying to trace the birth of it.

Mr. McLAUGHLIN. I may say to the gentleman that if he will read the title I think he will be satisfied that the situation will be handled properly, because he will note in line 18, page 29, that the authorization is extended to the Secretary of Commerce, Mr. Jesse Jones. I think the gentleman will agree with all of the Members of the House of Representatives, in their high approval of the conduct of Mr. Jesse Jones. His past record is an indication of what we can expect of him in the future.

Mr. SMITH of Ohio. I agree with the gentleman with respect to Mr. Jesse Jones. I have all the faith in the world in him, but I did not know we were legislating for any individual. I thought we were legislating for the United States.

Mr. McLAUGHLIN. I think we are legislating for the United States. You have asked me a question and I have attempted to give you the answer.

Specifically answering the gentleman's question, I believe the matter is in safe hands.

Mr. WHITE. Will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. WHITE. Is not the real purpose of this provision to enable us to get factual information concerning supplies in this country, hoarding, and so forth? Is not that the object of this particular provision, to get factual information concerning the supplies and materials in this country?

Mr. McLAUGHLIN. That is one of the purposes of the provision. Under it any information that is deemed necessary is permitted to be given out by the Bureau of the Census.

Mr. WHITE. It is alleged that the Army is hoarding and acquiring vast supplies that are unnecessary. Is there any way by which the Secretary of Commerce can reach that situation and determine from the Army the huge reserves they have on hand?

Mr. McLAUGHLIN. The gentleman is asking me to attempt to tell him how this is going to be administered. I have tried to explain that it will be administered under the supervision of the Department of Commerce and under the supervision of the Secretary of Commerce.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Ohio has expired, all time has expired.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. MOSER. Mr. Chairman, I offer an amendment. The amendment that was suggested by the Director of the Budget is at the desk.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOSER to the committee amendment: On page 29, line 22, after the word "war", change the period to a comma and insert the word "and,"; change the capital to a small "i" in the word "in", and line 23, after the word "section", strike out the words "the Secretary is further authorized."

On page 30, line 1, after the word "thereof", strike out remainder of line 1 and all of lines 2, 3, 4, 5, and 6.

Mr. McLAUGHLIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McLAUGHLIN. May I inquire as to the amendment proposed by the gentleman from Pennsylvania? My attention was distracted in conference with the other Members with respect to the bill. Does the gentleman from Pennsylvania propose to strike out lines 1 to 6 on page 30?

The CHAIRMAN. The gentleman from Pennsylvania has offered an amendment to the committee amendment. Without objection, the Clerk will again report the amendment offered by the gentleman from Pennsylvania.

There was no objection.

The Clerk again reported the Moser amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. McLAUGHLIN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. McLAUGHLIN: On page 29, line 22, strike out the period after the word "war" and strike out the word "In" and insert in lieu thereof the following: ", and, in"; and on page 29, line 23, strike out the words "the Secretary is further authorized."

The CHAIRMAN. Without objection, the committee amendment is agreed to.

There was no objection.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The Clerk read as follows:

#### TITLE XV—TIME LIMIT AND SHORT TITLE

Sec. 1501. Titles I to X, inclusive, and title XII of this act, shall remain in force only until December 31, 1944, or until such earlier time as the Congress by concurrent resolution, or the President, may designate, but no court proceedings brought under any such title shall abate by reason of the termination hereunder of such title.

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendments:

Page 30, line 21, strike out "XV" and insert "XVI."

Line 22, strike out "1501" and insert "1601"; and strike out "title XII" and insert "titles XII and XV."

Line 23, after the word "act", insert "and the amendments to existing law made by any such title."

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 31, after the word "designate", in line 1, insert the following: "And after such amendments cease to be in force any provision of law amended thereby shall be in full force and effect as though this act had not been enacted."

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 1502. This act may be cited as the "Second War Powers Act, 1942."

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 31, line 7, strike out "1502" and insert "1602."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill S. 2208, to further expedite the prosecution of the war, pursuant to House Resolution 444, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. CELLER. Mr. Speaker, I ask for a separate vote on the Starnes amendment striking out title XI.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. STARNES of Alabama: Beginning on page 17, line 12, strike out all of title XI.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. CELLER and Mr. MARCANTONIO) there were—ayes 138, noes 68.

Mr. CELLER and Mr. MARCANTONIO objected to the vote on the ground a quorum was not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and nineteen Members are present, a quorum.

Mr. MARCANTONIO. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. FORAND. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Rhode Island [Mr. FOGARTY] may be permitted to extend his own remarks in the Record.



The SPEAKER. Is there objection to the request of the gentleman from Rhode Island [Mr. FORAND]?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record and to include certain tables with reference to exports.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that certain remarks I made this morning may appear immediately preceding the passage of S. 2282 today.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ANDERSON]?

There was no objection.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT] may have permission to extend his own remarks in the Record and to include a statement concerning the St. Lawrence seaway.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MICHENER]?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. MARCANTONIO asked and was given permission to extend his own remarks in the Record.)

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include an article by Al Williams.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BEITER]?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in the Committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### CORRECTION OF ROLL CALL

Mr. PATMAN. Mr. Speaker, on roll calls 27 and 28, pages 1618 and 1626 of the CONGRESSIONAL RECORD, I was not recorded among those who failed to answer. I ask unanimous consent that the Record and Journal be corrected so as to show I did fail to answer to my name.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own

remarks in the Record and to include a letter I received from the Rev. R. E. Skelton, of Indianapolis, Ind.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. RABAUT]?

There was no objection.

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in Committee and to include section 1 of Public, No. 846, the Walsh-Healey Act.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a memorial to the Congress of the United States by John M. Fouts.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent that in putting in the Record some remarks I made a day or two ago, I may include an extract from a Supreme Court decision.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HAINES, for Monday, March 2, on account of personal business of importance.

To Mr. BLAND (at the request of Mr. BURCH) on account of official business.

To Mr. DREWRY, Mr. IZAC, Mr. SASSCER, Mr. HEFFERNAN, Mr. MAAS, Mr. MOTT, and Mr. BATES of Massachusetts (at the request of Mr. DREWRY), for 1 week, on account of official business.

#### ADJOURNMENT

Mr. HARRIS of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.) the House adjourned until Monday, March 2, 1942, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, March 4, 1942)

The Committee on Immigration and Naturalization will hold a hearing on Wednesday, March 4, 1942, on H. R. 6633.

##### COMMITTEE ON THE JUDICIARY (Wednesday, March 4, 1942)

Beginning at 10 a. m., Wednesday, March 4, 1942, there will be held a hearing before Subcommittee No. 3 of the Committee on the Judiciary on the following bills: H. R. 4579 and H. R. 6582, to amend subsection (c) of section 1 of Public, No. 846, Seventy-fourth Congress (S. 3055), an act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes; and H. R. 6444, to provide for the registration of labor organizations, business and trade associations, and so forth. The hearing will be held in the Judiciary Committee room, 346 House Office Building.

##### COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Thursday, March 5, 1942)

##### POSTPONEMENT OF HEARINGS ON H. R. 6503

This will advise you that the hearings previously scheduled for Tuesday, February 17, 1942, at 10 a. m., have been postponed until Thursday, March 5, 1942, at 10 a. m., on the following bill, H. R. 6503, to extend and amend certain emergency laws relating to the merchant marine, and for other purposes.

##### EXECUTIVE COMMUNICATIONS, ETC.

1447. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a draft of a proposed bill to amend the act approved March 14, 1936, entitled "An act to provide for vacations of Government employees, and for other purposes," was taken from the Speaker's table and referred to the Committee on the Civil Service.

##### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGBRIGHT: Committee on the Public Lands. H. R. 4213. A bill for the relief of persons in connection with the extraction of gold-bearing ore from the Ruck-A-Chucky dam site; with amendment (Rept. No. 1842). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 4676. A bill to accept the cession by the Commonwealth of Kentucky of exclusive jurisdiction over the lands embraced within the Mammoth Cave National Park; to authorize the acquisition of additional lands for the park in accordance with the act of May 25, 1926 (44 Stat. 635); to authorize the acceptance of donations of land for the development of a proper entrance road to the park; and for other purposes; with amendment (Rept. No. 1843). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 5394. A bill to authorize the lease or sale of public lands for use in connection with the manufacture of arms, ammunition, and implements of war, etc.; with amendment (Rept. No. 1844). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 5861. A bill to authorize the transfer of jurisdiction of a portion of the



77TH CONGRESS  
2D SESSION

# S. 2208

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1942

Ordered to be printed with the amendments of the House of Representatives  
numbered

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## AN ACT

To further expedite the prosecution of the war.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       TITLE I—EMERGENCY POWERS OF THE INTER-

4       STATE COMMERCE COMMISSION OVER MOTOR

5       (1)AND WATER CARRIERS

6       SEC. 101. Section 204 of the (2)act of August 9, 1935

7       (49 Stat. 543), otherwise known as the Motor Carrier Act,

8       1935 Interstate Commerce Act, as amended (3)(U. S. C.,

9       1940 ed., title 49, sec. 304), is hereby amended by adding

10      after subsection (d) thereof the following:

11      “(e) The Commission shall have authority with respect

1 to motor carriers, to be exercised under similar circumstances  
 2 and procedure, equivalent to the authority it has with re-  
 3 spect to other carriers under section 1 (15) of part I, and  
 4 shall have authority, to the extent necessary to facilitate the  
 5 prosecution of the war and not in contravention of State  
 6 laws and regulations with respect to sizes and weights of  
 7 motor vehicles, to make reasonable directions with respect  
 8 to equipment, service, and facilities of motor carriers,  
 9 and to require the joint use of equipment, terminals, ware-  
 10 houses, garages, and other facilities; and motor carriers  
 11 shall be subject to the same penalties for failure to comply  
 12 with action taken by the Commission under this paragraph  
 13 as other carriers for failure to comply with action taken by  
 14 the Commission under section 1 (15) of part I.

15 “(f) Notwithstanding any other applicable provision of  
 16 this Act, to the extent that it may be in the public interest,  
 17 the Commission may modify, change, suspend or waive  
 18 any order, certificate, permit, license, rule, or regulation  
 19 issued under this part.”

20 SEC. 102. Subsection (a) of section 210a of said Act  
 21 **(4)**, as amended (*U. S. C., 1940 ed., title 49, sec. 310a*  
 22 *(a)*), is hereby amended by striking out the words “but for  
 23 not more than an aggregate of one hundred and eighty days”.

24 SEC. 103. Subsection (a) of section 311 of said Act **(5)**,  
 25 as amended (*U. S. C., 1940 ed., title 49, sec. 911 (a)*)



1 is hereby amended by striking out the words “but not for  
2 more than an aggregate of one hundred and eighty days”.

3 TITLE II—ACQUISITION ~~(6)~~ *AND DISPOSITION*  
4 OF PROPERTY

5 SEC. 201. The Act of July 2, 1917 (40 Stat. 241),  
6 entitled “An Act to authorize condemnation proceedings of  
7 lands for military purposes”, as amended, is hereby amended  
8 by adding at the end thereof the following section:

9 “SEC. 2. The Secretary of War, the Secretary of the  
10 Navy, or any other officer, board, commission, or govern-  
11 mental corporation ~~(7)~~ ~~thereto~~ authorized by the President,  
12 may acquire by purchase, donation, or other means of transfer,  
13 or may cause proceedings to be instituted in any court hav-  
14 ing jurisdiction of such proceedings, to acquire by condemna-  
15 tion, any real property, temporary use thereof, or other  
16 interest therein, together with any personal property located  
17 thereon or used therewith, that shall be deemed necessary,  
18 for military, naval, or other war purposes, such proceedings  
19 to be in accordance with the Act of August 1, 1888 (25  
20 Stat. 357), ~~(8)~~ ~~and~~ or any other applicable Federal statute,  
21 and may dispose of such property or interest therein by sale,  
22 lease, or otherwise, in accordance with section 1 (b) of the  
23 Act of July 2, 1940 (54 Stat. 712). Upon or after the  
24 filing of the condemnation petition, immediate possession may  
25 be taken and the property may be occupied, used, and

1 improved for the purposes of this Act, notwithstanding any  
 2 other law. Property acquired by purchase, donation, or  
 3 other means of transfer may be occupied, used, and improved,  
 4 for the purposes of this section prior to the approval of title  
 5 by the Attorney General as required by section 355 of the  
 6 Revised Statutes, as amended.”

### 7 TITLE III—PRIORITIES POWERS

8 ~~(9)~~SEC. 301. Subsection ~~(a)~~ of section ~~(2)~~ of the Act of  
 9 June 28, 1940 ~~(54 Stat. 676)~~, entitled “An Act to expedite  
 10 national defense, and for other purposes”, as amended by  
 11 the Act of May 31, 1941 ~~(55 Stat. 236)~~, is amended as  
 12 follows:

13 ~~(a)~~ In paragraph ~~(1)~~ of said subsection ~~(a)~~, strike out  
 14 the words “this section” and the words “this subsection”  
 15 wherever they appear, and substitute the words “this  
 16 paragraph”.

17 ~~(b)~~ Strike out paragraph ~~(2)~~ of said subsection and  
 18 substitute a new paragraph ~~(2)~~ and add paragraphs ~~(3)~~  
 19 to ~~(8)~~, as follows:

20 *SEC. 301. Subsection (a) of section 2 of the Act of June*  
 21 *28, 1940 (54 Stat. 676), entitled “An Act to expedite na-*  
 22 *tional defense, and for other purposes”, as amended by the*  
 23 *Act of May 31, 1941 (Public Law Numbered 89, Seventy-*  
 24 *seventh Congress), is hereby amended to read as follows:*

25 “SEC. 2. (a) (1) That whenever deemed by the Presi-



1 *dent of the United States to be in the best interests of the*  
2 *national defense during the national emergency declared by*  
3 *the President on September 8, 1939, to exist, the Secretary*  
4 *of the Navy is hereby authorized to negotiate contracts for the*  
5 *acquisition, construction, repair, or alteration of complete*  
6 *naval vessels or aircraft, or any portion thereof, including*  
7 *plans, spare parts, and equipment therefor, that have been*  
8 *or may be authorized, and also for machine tools and other*  
9 *similar equipment, with or without advertising or competitive*  
10 *bidding upon determination that the price is fair and reason-*  
11 *able, and deliveries of material under all orders placed pur-*  
12 *suant to the authority of this paragraph and all other naval*  
13 *contracts or orders and all Army contracts and orders shall,*  
14 *in the discretion of the President, take priority over all deliv-*  
15 *eries for private account or for export: Provided, That the*  
16 *Secretary of the Navy shall report every three months to the*  
17 *Congress the contracts entered into under the authority of this*  
18 *paragraph: Provided further, That contracts negotiated pur-*  
19 *suant to the provisions of this paragraph shall not be deemed*  
20 *to be contracts for the purchase of such materials, supplies,*  
21 *articles, or equipment as may usually be bought in the open*  
22 *market within the meaning of section 9 of the Act entitled*  
23 *'An Act to provide conditions for the purchase of supplies*  
24 *and the making of contracts by the United States, and for*  
25 *other purposes', approved June 30, 1936 (49 Stat. 2036;*

1 *U. S. C., Supp. V, title 41, secs. 35-45): Provided further,*  
2 *That nothing herein contained shall relieve a bidder or con-*  
3 *tractor of the obligation to furnish the bonds under the re-*  
4 *quirements of the Act of August 24, 1935 (49 Stat. 793;*  
5 *40 U. S. C. 270 (a) to (d)): Provided further, That the*  
6 *cost-plus-a-percentage-of-cost system of contracting shall not*  
7 *be used under the authority granted by this paragraph to ne-*  
8 *gotiate contracts; but this proviso shall not be construed to*  
9 *prohibit the use of the cost-plus-a-fixed-fee form of contract*  
10 *when such use is deemed necessary by the Secretary of the*  
11 *Navy: And provided further, That the fixed fee to be paid*  
12 *the contractor as a result of any contract entered into under*  
13 *the authority of this paragraph, or any War Department*  
14 *contract entered into in the form of cost-plus-a-fixed-fee, shall*  
15 *not exceed 7 per centum of the estimated cost of the contract*  
16 *(exclusive of the fee as determined by the Secretary of the*  
17 *Navy or the Secretary of War, as the case may be).*

18 “(2) Deliveries of material to which priority may be  
19 assigned pursuant to paragraph (1) shall include, in addi-  
20 tion to deliveries of material under contracts or orders of  
21 the Army or Navy, deliveries of material under—

22 “(A) Contracts or orders for the government of  
23 any country whose defense the President deems vital  
24 to the defense of the United States under the terms of



1 the Act of March 11, 1941, entitled 'An Act to pro-  
2 mote the defense of the United States';

3 “(B) Contracts or orders which the President shall  
4 deem necessary or appropriate to promote the defense  
5 of the United States;

6 “(C) Subcontracts or suborders which the Presi-  
7 dent shall deem necessary or appropriate to the fulfill-  
8 ment of any contract or order as specified in this sub-  
9 section (10)(a).

10 Deliveries under any contract or order specified in this sub-  
11 section (11)(a) may be assigned priority over deliveries  
12 under any other contract or order; and the President may re-  
13 quire acceptance of and performance under such contracts or  
14 orders in preference to other contracts or orders for the pur-  
15 pose of assuring such priority. Whenever the President is  
16 satisfied that the fulfillment of requirements for the defense of  
17 the United States will result in a shortage in the supply of any  
18 material or of any facilities for defense or for private account  
19 or for export, the President may allocate such material or  
20 facilities in such manner, upon such conditions and to such  
21 extent as he shall deem necessary or appropriate in the public  
22 interest and to promote the national defense.

23 “(3) The President shall be entitled to obtain such in-  
24 formation from, require such reports and the keeping of such

1 records by, make such inspection of the books, records, and  
 2 other writings, premises or property of, any person (which,  
 3 for the purpose of this subsection (12)(a), shall include any  
 4 individual, partnership, association, business trust, corpora-  
 5 tion, or any organized group of persons, whether incorporated  
 6 or not), and make such investigations, as may be necessary or  
 7 appropriate, in his discretion, to the enforcement or adminis-  
 8 tration of the provisions of this subsection (13)(a).

9 (14)~~“(4) For the purpose of obtaining any information,~~  
 10 ~~verifying any report required, or making any investigation~~  
 11 ~~pursuant to paragraph (3), the provisions of sections 9~~  
 12 ~~and 10 of the Act of September 26, 1914 (38 Stat. 722),~~  
 13 ~~are hereby made applicable to the jurisdiction, powers, and~~  
 14 ~~duties of the President.~~

15 “(4) *For the purpose of obtaining any information,*  
 16 *verifying any report required, or making any investigation*  
 17 *pursuant to paragraph (3), the President may administer*  
 18 *oaths and affirmations, and may require by subpoena or other-*  
 19 *wise the attendance and testimony of witnesses and the pro-*  
 20 *duction of any books or records or any other documentary*  
 21 *or physical evidence which may be relevant to the inquiry.*  
 22 *Such attendance and testimony of witnesses and the produc-*  
 23 *tion of such books, records, or other documentary or physical*  
 24 *evidence may be required at any designated place from any*  
 25 *State, Territory, or other place subject to the jurisdiction*



1 of the United States: Provided, That the production of a  
2 person's books, records, or other documentary evidence shall  
3 not be required at any place other than the place where  
4 such person resides or transacts business, if, prior to the  
5 return date specified in the subpoena issued with respect thereto,  
6 such person furnishes the President with a true copy of such  
7 books, records, or other documentary evidence (certified by  
8 such person under oath to be a true and correct copy) or  
9 enters into a stipulation with the President as to the infor-  
10 mation contained in such books, records, or other documentary  
11 evidence. Witnesses shall be paid the same fees and mileage  
12 that are paid witnesses in the courts of the United States.  
13 No person shall be excused from attending and testifying  
14 or from producing any books, records, or other documentary  
15 or physical evidence in obedience to any such subpoena, or in  
16 any action or proceeding which may be instituted under this  
17 subsection (a), on the ground that the testimony or evidence,  
18 documentary or otherwise, required of him may tend to in-  
19 criminate him or subject him to a penalty or forfeiture;  
20 but no individual shall be subject to prosecution and punish-  
21 ment or to any penalty or forfeiture for or on account of  
22 any transaction, matter, or thing concerning which he is  
23 compelled to testify or produce evidence, documentary or  
24 otherwise, after having claimed his privilege against self-  
25 incrimination, except that any such individual so testifying

1 *shall not be exempt from prosecution and punishment for*  
 2 *perjury committed in so testifying. The President shall not*  
 3 *publish or disclose any information obtained under this par-*  
 4 *agraph which the President deems confidential or with refer-*  
 5 *ence to which a request for confidential treatment is made by*  
 6 *the person furnishing such information, unless the President*  
 7 *determines that the withholding thereof is contrary to the*  
 8 *interest of the national defense and security; and anyone*  
 9 *violating this provision shall be guilty of a felony and upon*  
 10 *conviction thereof shall be fined not exceeding \$1,000, or be*  
 11 *imprisoned not exceeding two years, or both.*

12 “(5) Any person who willfully performs any act pro-  
 13 hibited, or willfully fails to perform any act required by, any  
 14 provision of this subsection (15)(a) or any rule, regulation,  
 15 or order (16)~~hereunder~~ *thereunder*, whether heretofore or  
 16 hereafter issued, shall be guilty of a misdemeanor, and shall,  
 17 upon conviction, be fined not more than \$10,000 or im-  
 18 prisoned for not more than one year, or both.

19 “(6) The district courts of the United States and the  
 20 United States courts of any Territory or other place subject  
 21 to the jurisdiction of the United States and the courts of the  
 22 Philippine Islands shall have jurisdiction of violations of this  
 23 subsection (17)(a) or any rule, regulation, or order or sub-  
 24 pena (18)~~hereunder~~ *thereunder*, whether heretofore or here-  
 25 after issued, and of all civil actions under this subsection



1 **(19)(a)** to enforce any liability or duty created by, or to  
 2 enjoin any violation of, this subsection **(20)(a)** or any rule,  
 3 regulation, order, or subpoena **(21)**~~hereunder~~ *thereunder*  
 4 whether heretofore or hereafter issued. Any criminal pro-  
 5 ceeding on account of any such violation may be brought  
 6 in any district in which any act, failure to act, or trans-  
 7 action constituting the violation occurred. Any such civil  
 8 action may be brought in any such district or in the dis-  
 9 trict in which the defendant resides or transacts business.  
 10 Process in such cases, criminal or civil, may be served in any  
 11 district wherein the defendant resides or transacts business  
 12 or wherever the defendant may be found; and subpoena for  
 13 witnesses who are required to attend a court in any district  
 14 in any such case may run into any other district. No costs  
 15 shall be assessed against the United States in any proceeding  
 16 under this subsection **(22)(a)**.

17 “(7) No person shall be held liable for damages or  
 18 penalties for any default under any contract or order which  
 19 shall result directly or indirectly from **(23)**~~his~~ compliance  
 20 with this subsection **(24)(a)** or any rule, regulation, or order  
 21 issued **(25)**~~hereunder~~ *thereunder*, notwithstanding that any  
 22 such rule, regulation, or order shall thereafter be declared by  
 23 judicial or other competent authority to be invalid.

24 “(8) The President may exercise any power, authority,  
 25 or discretion conferred on him by this subsection **(26)(a)**,

1 through such department, agency, or officer of the Govern-  
 2 ment as he may direct and in conformity with any rules or  
 3 regulations which he may prescribe.”

#### 4 TITLE IV—PURCHASE BY FEDERAL RESERVE 5 BANKS OF GOVERNMENT OBLIGATIONS

6 SEC. 401. Subsection (b) of section 14 of the Act  
 7 of December 23, 1913 (38 Stat. 265), otherwise known  
 8 as the Federal Reserve Act, as amended, is hereby amended  
 9 by striking out of the proviso the words “but only  
 10 in the open market”, so that the proviso will read as follows:  
 11 “*Provided, That any bonds, notes, or other obligations*  
 12 *which are direct obligations of the United States or which*  
 13 *are fully guaranteed by the United States as to principal and*  
 14 *interest (27)to an aggregate amount not exceeding \$5,000,-*  
 15 *000,000 may be bought and sold without regard to*  
 16 *maturities.”*

#### 17 TITLE V—WAIVER OF NAVIGATION AND 18 INSPECTION LAWS

19 (28)SEC. 501. During the national emergency declared by  
 20 the President on May 27, 1941, to exist, for the purpose of  
 21 securing the most expeditious transportation consistent with  
 22 safety of men and materials that are necessary to national  
 23 defense and to reduce delays in water borne transportation,  
 24 provide quicker turn arounds, expedite deliveries, and help  
 25 to prevent shortages in defense or critical materials, and,



1 when in the opinion of the Secretary of Commerce there is  
2 no other reasonable recourse, the Secretary of Commerce is  
3 authorized, upon written recommendation of the Secretary  
4 of the Navy, and of the Secretary of War, and of the Secretary  
5 of the Treasury and of the Secretary of Labor, and of the  
6 Chairman, United States Maritime Commission, or any three  
7 of the above named officials, to waive compliance with the  
8 navigation and vessel inspection laws of the United States,  
9 except laws requiring the division of crews of vessels of the  
10 United States into watches, or limiting the hours of labor of  
11 seamen on such vessels, but only to such extent and in such  
12 manner and upon such terms as he may find after investiga-  
13 tion to be necessary or proper for the national defense: *Pro-*  
14 *vided, however,* That the Secretary of Commerce shall not  
15 waive compliance with any of such laws to such an extent as  
16 will permit the navigation of any vessel in an unsafe condi-  
17 tion, nor with the coastwise laws of the United States where  
18 the service desired can be supplied promptly by American  
19 ships: *Provided further,* That in the exercise of authority  
20 granted by this Act, the Secretary of Commerce shall waive  
21 compliance with any of such laws only by specific rulings for  
22 specific occasions, and shall in each case specifically state  
23 the particular laws with which compliance is waived and the  
24 reasons therefor: *And provided further,* That during the  
25 effective period of this Act the Secretary of Commerce shall

1 at the convening of each session of Congress, and monthly  
2 while the Congress is in session, report to the Congress every  
3 action taken by him under authority of this Act.

4       *SEC. 501. The Secretary of Commerce is directed to*  
5 *waive compliance with the navigation and vessel inspection*  
6 *laws upon the request of the Secretary of the Navy or the*  
7 *Secretary of War to the extent deemed necessary in the*  
8 *conduct of the war by the officer making the request. The*  
9 *Secretary of Commerce is authorized to waive compliance*  
10 *with the navigation and vessel inspection laws to such extent*  
11 *and in such manner and upon such terms as he may prescribe*  
12 *either upon his own initiative or upon the written recom-*  
13 *mendation of the head of any other Government agency*  
14 *whenever he deems that such action is necessary in the*  
15 *conduct of the war.*

16           **TITLE VI—POWER TO REQUISITION**

17       *SEC. 601. The last paragraph of section 1 of the Act of*  
18 *October 16, 1941 (55 Stat. 742), entitled "An Act to*  
19 *authorize the President of the United States to requisition*  
20 *property required for the defense of the United States", is*  
21 *amended by deleting subdivision (3) thereof, so that the*  
22 *paragraph will read as follows:*

23           *"Nothing contained in this Act shall be construed—*

24           *"(1) to authorize the requisitioning or require the*  
25       *registration of any firearms possessed by an individual for*



1 his personal protection or sport (and the possession of  
 2 which is not prohibited or the registration of which is not  
 3 required by existing law),

4 “(2) to impair or infringe in any manner the right of  
 5 any individual to keep and bear arms.”

6 **(29)***Whenever any machinery or equipment which is in  
 7 actual use in connection with any operating factory or busi-  
 8 ness and which is necessary to the operation of such factory  
 9 or business is requisitioned pursuant to the Act of October 16,  
 10 1941 (55 Stat. 742), the owner thereof shall be paid fair and  
 11 just compensation which shall not be less than the differ-  
 12 ence between the fair market value of such factory or business  
 13 before and after the taking of such equipment or machinery.*

## 14 TITLE VII—POLITICAL ACTIVITY

15 SEC. 701. Subsection (a) of section 9 of the Act of  
 16 August 2, 1939 (53 Stat. 1148), entitled “An Act to  
 17 prevent pernicious political activities”, **(30)***as amended*, is  
 18 hereby amended by adding in the second sentence after the  
 19 word “thereof” the words “except a part-time officer or  
 20 part-time employee without compensation or with nominal  
 21 compensation serving in connection with the existing war  
 22 effort, **(31)**~~other than as a member of a Selective Service and  
 23 Training Board,~~ or other than in any capacity relating to the  
 24 procurement or manufacture of war material”.

1 (32)TITLE VIII—COMPENSATION FOR CERTAIN  
2 CIVILIAN DEFENSE WORKERS

3 SEC. 801. Section 40 of the Act of September 7, 1916  
4 (39 Stat. 750), entitled "An Act to provide compensation  
5 for employees of the United States suffering injuries while in  
6 the performance of their duties, and for other purposes", as  
7 amended, is hereby amended by adding the following para-  
8 graph at the end thereof:

9 "The term 'employee' also includes any person in the  
10 protective services engaged in civilian defense, who has been  
11 duly appointed as such by an officer or agent of the United  
12 States acting under lawful authority. In the event that any  
13 such person renders his services on a voluntary basis or for  
14 compensation amounting to less than \$100 per month, for  
15 the purposes of computing the amount of compensation for  
16 death or disability, he shall be regarded as having received  
17 compensation for his services at the rate of \$100 per month:  
18 *Provided*, That no compensation shall be paid in respect to  
19 the death or disability of any such person in any case coming  
20 within the purview of the workmen's compensation law of  
21 any State, Territory, or possession, or in which the claimant  
22 has received, or is entitled to receive similar benefits for in-  
23 jury or death: *Provided further*, That the Commission may  
24 establish new and utilize its existing regional offices, utilize  
25 the personnel and facilities of other governmental agencies,



1 and delegate thereto such authority as may be necessary, for  
 2 carrying out the provisions of this paragraph."

### 3 TITLE IX—PROTECTION OF WAR INDUSTRIES

4 (33)AND PROTECTION OF RESOURCES

5 SUBJECT TO (34)SEASONAL HAZARDS OF

6 FOREST FIRES

7 SEC. 901. The President is empowered to direct the Ad-  
 8 ministrator of the Federal Security Agency to assign the  
 9 manpower of the Civilian Conservation Corps to the extent  
 10 necessary to protect the munitions, aircraft, and other war  
 11 industries, municipal water supply, power and other (35)util-  
 12 ities utilities, and (36)to protect resources subject to the  
 13 hazards of forest fires.

### 14 TITLE X—FREE POSTAGE FOR SOLDIERS,

15 SAILORS, AND MARINES

16 SEC. 1001. Any first-class letter mail matter admissible  
 17 to the mails as ordinary mail matter which is sent by a mem-  
 18 ber of the military or naval forces of the United States (in-  
 19 cluding the United States Coast Guard), while on active duty  
 20 or in the active military or naval service of the United States,  
 21 to any person in the United States, including the Territories  
 22 and possessions thereof, shall be transmitted in the mails free  
 23 of postage, subject to such rules and regulations as the Post-  
 24 master General shall prescribe.

1 (37)TITLE XI—NATURALIZATION OF PERSONS  
2 SERVING IN THE ARMED FORCES OF THE  
3 UNITED STATES DURING THE PRESENT WAR

4 SEC. 1101. The Act of October 14, 1940 (54 Stat.  
5 1137), entitled "An Act to revise and codify the nationality  
6 laws of the United States into a comprehensive nationality  
7 code", is hereby amended by adding thereto a new title as  
8 follows:

9 "TITLE III

10 "SEC. 701. Notwithstanding the provisions of sections  
11 303 and 326 of this Act, any person not a citizen, regard-  
12 less of age, who has served or hereafter serves honorably  
13 in the military or naval forces of the United States during  
14 the present war may be naturalized upon compliance with  
15 all the requirements of the naturalization laws except  
16 that (1) no declaration of intention and no certificate  
17 of arrival and no period of residence within the United  
18 States or any State shall be required; (2) the petition for  
19 naturalization may be filed in any court having naturaliza-  
20 tion jurisdiction regardless of the residence of the petitioner;  
21 (3) the petitioner shall not be required to speak the English  
22 language, sign his petition in his own handwriting, or meet  
23 any educational test; and (4) no fee shall be charged or  
24 collected for making, filing, or docketing the petition for  
25 naturalization, or for the final hearing thereon, or for the



1 certification of naturalization, if issued: *Provided, however,*  
2 That ~~(1)~~ there shall be included in the petition the affi-  
3 davits of at least two credible witnesses, citizens of the  
4 United States, stating that each such witness personally  
5 knows the petitioner to be a person of good moral character;  
6 attached to the principles of the Constitution of the United  
7 States, and well disposed to the good order and happiness of  
8 the United States; ~~(2)~~ the service of the petitioner in the  
9 military or naval forces of the United States shall be proved  
10 by affidavits, forming part of the petition, of at least two citi-  
11 zens of the United States, members or former members during  
12 the present war of the military or naval forces of the non-  
13 commissioned or warrant officer grade or higher ~~(who may~~  
14 ~~be the witnesses described in clause (1) of this proviso);~~  
15 or by a duly authenticated copy of the record of the execu-  
16 tive department having custody of the record of petitioner's  
17 service, showing that the petitioner is or was during the  
18 present war a member serving honorably in such armed  
19 forces; and ~~(3)~~ the petition shall be filed not later than one  
20 year after the termination of the effective period of this Act  
21 as provided in title XV. The petitioner may be naturalized  
22 immediately if prior to the filing of the petition the petitioner  
23 and the witnesses required by the foregoing proviso shall have  
24 appeared before and been examined by a representative of the  
25 Immigration and Naturalization Service.

1       “SEC. 702. During the present war, any person entitled  
2 to naturalization under section 701 of this Act, who while  
3 serving honorably in the military or naval forces of the United  
4 States is not within the jurisdiction of any court authorized  
5 to naturalize aliens, may be naturalized in accordance with  
6 all the applicable provisions of section 701 without appearing  
7 before a naturalization court. The petition for naturalization  
8 of any petitioner under this section shall be made and sworn  
9 to before, and filed with, a representative of the Immigration  
10 and Naturalization Service designated by the Commissioner  
11 or a Deputy Commissioner, which designated representative  
12 is hereby authorized to receive such petition in behalf of the  
13 Service, to conduct hearings thereon, to take testimony con-  
14 cerning any matter touching or in any way affecting the ad-  
15 missibility of any such petitioner for naturalization, to call  
16 witnesses, to administer oaths, including the oath of the peti-  
17 tioner and his witnesses to the petition for naturalization and  
18 the oath of renunciation and allegiance prescribed by section  
19 335 of this Act, and to grant naturalization, and to issue  
20 certificates of citizenship: *Provided*, That the record of any  
21 proceedings hereunder together with a copy of the certificate  
22 of citizenship shall be forwarded to and filed by the clerk of  
23 a naturalization court in the district in which the petitioner  
24 is a resident and be made a part of the record of the court.

25       “SEC. 703. The ninety days' notice required by subsec-  
26 tion (b) of section 326 of this Act to be given by the clerk



1 of the naturalization court to the Commissioner may be  
2 waived by the Commissioner in his discretion. In any peti-  
3 tion in which such notice is waived the Commissioner shall  
4 cause the clerk of court to be notified to that effect.

5 "SEC. 704. The provisions of this title shall not apply  
6 to ~~(1)~~ any person who during the present war is dishonor-  
7 ably discharged from the military or naval forces or is dis-  
8 charged therefrom on account of his alienage; or ~~(2)~~ any con-  
9 scientious objector who performed no military duty whatever  
10 or refused to wear the uniform: *Provided*, That citizenship  
11 granted pursuant to this title may be revoked as to any  
12 person subsequently dishonorably discharged from the mili-  
13 tary or naval forces in accordance with Section 338 of this  
14 Act.

15 "SEC. 705. The Commissioner, with the approval of the  
16 Attorney General, shall prescribe and furnish such forms;  
17 and shall make such rules and regulations, as may be neces-  
18 sary to carry into effect the provisions of this Act."

19 "SEC. 706. This title shall take effect from the date of  
20 its approval."

## 21 TITLE XII—ACCEPTANCE OF CONDITIONAL 22 GIFTS TO FURTHER THE WAR PROGRAM

23 SEC. 1201. To further the war program of the United  
24 States, the Secretary of the Treasury is authorized to accept  
25 or reject on behalf of the United States any gift of money or

1 other property, real or personal, or services, made on con-  
2 dition that it be used for a particular war purpose.

3 SEC. 1202. The Secretary of the Treasury may convert  
4 into money, at the best terms available, any such gift of  
5 property other than money.

6 SEC. 1203. There shall be established on the books of  
7 the Treasury a special deposit account to be designated as  
8 the "War Contributions Fund", into which shall be deposited  
9 all money received as a result of such gifts.

10 SEC. 1204. The Secretary of the Treasury, in order to  
11 effectuate the purposes for which gifts accepted under this  
12 ~~(38) Act~~ *title* are made, shall from time to time allocate the  
13 money in such special deposit account to such of the various  
14 appropriations available for the purchase of war material and  
15 the furtherance of the war program of the United States as in  
16 his judgment will best effectuate the intent of the donors, and  
17 such money is hereby appropriated and shall be available for  
18 expenditure for the purposes of the appropriations to which  
19 allocated.

20 SEC. 1205. The Secretary of the Treasury shall include  
21 in his Annual Report to the Congress a summary of the gifts  
22 made and accepted under this ~~(39) Act~~ *title*.

23 SEC. 1206. Whoever shall solicit any gift of money or  
24 other property, and represent that such gift is being solicited  
25 for the use of the United States, with the intention of embez-



1 zling, stealing, or purloining such gift, or converting the  
 2 same to any other use or purpose, or whoever, having  
 3 come into possession of any money or property which has  
 4 been donated by the owner thereof for the use of the United  
 5 States, shall embezzle, steal, or purloin such money or prop-  
 6 erty, or convert the same to any other use or purpose, shall  
 7 be guilty of a felony and upon conviction thereof shall be  
 8 fined not more than \$5,000 or imprisoned for not more than  
 9 five years, or both.

#### 10 TITLE XIII—COINAGE OF 5-CENT PIECES

11 SEC. 1301. Notwithstanding any other provision of law,  
 12 the Director of the Mint shall cause the metallic content of all  
 13 5-cent pieces coined after the effective date of this ~~(40)~~Act  
 14 *title* and prior to December 31, 1946, to be one-half silver and  
 15 one-half copper: *Provided*, That the Director of the Mint, with  
 16 the approval of the Secretary of the Treasury and the Chair-  
 17 man of the War Production Board, is authorized to vary the  
 18 proportions of silver and copper and to add other metals  
 19 ~~(41)~~to a volume not to exceed 10 per centum of the total  
 20 ~~content thereof~~, if such action would be in the public interest.  
 21 Such 5-cent pieces shall be deemed to be minor coins or  
 22 coinage and not silver coins, subsidiary silver coins, silver  
 23 coinage, or subsidiary silver coinage within the meaning of  
 24 the monetary laws of the United States.

25 SEC. 1302. For the coinage of such 5-cent pieces the

1 Secretary of the Treasury is hereby authorized to allocate to  
2 the Director of the Mint, at such times and in such amounts  
3 as the Secretary deems necessary, any silver bullion in the  
4 monetary stocks of the United States not then held for re-  
5 demption of any outstanding silver certificates. Silver so allo-  
6 cated shall be accounted for by entries in the fund established  
7 for the purchase of metal for minor coinage: *Provided*, That  
8 the value of any silver bullion accounted for in said fund  
9 shall not be considered for the purpose of determining the  
10 statutory limit of said fund: *Provided further*, That the gain  
11 from the minor coinage provided for by this title shall be  
12 accounted for by entries in the minor coinage profit fund.

13 SEC. 1303. No silver-copper ingots shall be used for the  
14 minor coinage provided for by this title which differ from  
15 the legal standard by more than ten-thousandths. In adjust-  
16 ing the weight of such minor coins there shall be no greater  
17 deviation allowed than four grains for each piece.

18 SEC. 1304. For the purpose of section 3529 of the  
19 Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent  
20 pieces provided for by this title shall be deemed to be copper.

21 SEC. 1305. Upon redemption any 5-cent pieces coined  
22 in accordance with the provisions of this title shall after  
23 December 31, 1946, be allocated to the Director of the Mint  
24 for melting and for subsidiary silver coinage. Any 5-cent  
25 pieces coined in accordance with the provisions of this title



1 but not issued by the Mint may after December 31, 1946, be  
2 allocated, in such amounts and at such times as the Secretary  
3 of the Treasury in his discretion may determine, to the Direc-  
4 tor of the Mint for melting and for subsidiary silver coinage.  
5 All 5-cent pieces allocated to the Director of the Mint in  
6 accordance with this section shall be accounted for by entries  
7 in the fund established for the purchase of silver bullion for  
8 subsidiary silver coinage. Upon coinage into subsidiary  
9 silver coins of the metal contained in the 5-cent pieces so  
10 allocated, the gain shall be accounted for by entries in the  
11 silver-profit fund.

12 SEC. 1306. This title shall become effective sixty days  
13 after approval.

14 TITLE XIV—INSPECTION AND AUDIT OF WAR  
15 CONTRACTORS

16 SEC. 1401. The provisions of section 10 (l) of an Act  
17 approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (l) )  
18 (giving the Government the right to inspect the plant and  
19 audit the books of certain Contractors), shall apply to the  
20 plant ~~(42)and books,~~ *books, and records* of any contractor  
21 with whom a defense contract has been placed at any time  
22 after the declaration of emergency on September 8, 1939, and  
23 before the termination of the present war: *Provided*, That, for  
24 the purpose of this title, the term “defense contract” shall  
25 mean any contract, subcontract, or order placed in furtherance

1 of the defense or war effort: *And provided further*, That the  
 2 inspection and audit authorized herein, and the determination  
 3 whether a given contract is a "defense contract" as defined  
 4 above, shall be made by ~~(43)~~the agency placing such con-  
 5 tract or order or the contract or order under which such sub-  
 6 contract was placed a governmental agency or officer desig-  
 7 nated by the President, or by the Chairman of the War Pro-  
 8 duction Board.

9 ~~(44)~~SEC. 1402. The provisions of sections 9 and 10 of the  
 10 Act of September 26, 1914 (38 Stat. 722), are hereby  
 11 made applicable to the jurisdiction, powers, and duties of  
 12 any agency or of the Chairman of the War Production  
 13 Board acting hereunder. Any person who shall, without just  
 14 cause, fail or refuse to attend or testify or to comply with any  
 15 order or subpoena issued under this title, shall be guilty of a  
 16 misdemeanor and upon conviction shall be subject to a fine  
 17 of not less than \$1,000 nor more than \$5,000, or to impris-  
 18 onment of not more than one year, or both.

19 *SEC. 1402. For the purpose of obtaining any informa-*  
 20 *tion or making any inspection or audit pursuant to section*  
 21 *1401, any agency acting hereunder, or the Chairman of the*  
 22 *War Production Board, as the case may be, may administer*  
 23 *oaths and affirmations and may require by subpoena or other-*  
 24 *wise the attendance and testimony of witnesses and the pro-*  
 25 *duction of any books or records or any other documentary*



1 or physical evidence which may be deemed relevant to the  
2 inquiry. Such attendance and testimony of witnesses and the  
3 production of such books, records, or other documentary or  
4 physical evidence may be required at any designated place  
5 from any State, Territory, or other place subject to the juris-  
6 diction of the United States: Provided, That the production  
7 of a person's books, records, or other documentary evidence  
8 shall not be required at any place other than the place where  
9 such person resides or transacts business, if, prior to the  
10 return date specified in the subpoena issued with respect thereto,  
11 such person furnishes such agency or the Chairman of the  
12 War Production Board, as the case may be, with a true copy  
13 of such books, records, or other documentary evidence (cer-  
14 tified by such person under oath to be a true and correct  
15 copy) or enters into a stipulation with such agency or the  
16 Chairman of the War Production Board, as the case may  
17 be, as to the information contained in such books, records,  
18 or other documentary evidence. Witnesses shall be paid the  
19 same fees and mileage that are paid witnesses in the courts  
20 of the United States. No person shall be excused from attend-  
21 ing and testifying or from producing any books, records,  
22 or other documentary or physical evidence in obedience to  
23 any such subpoena, or in any action or proceeding which  
24 may be instituted under this section, on the ground that the  
25 testimony or evidence, documentary or otherwise, required of

1 *him may tend to incriminate him or subject him to a penalty*  
2 *or forfeiture; but no individual shall be subject to prosecution*  
3 *and punishment or to any penalty or forfeiture for or on*  
4 *account of any transaction, matter, or thing concerning which*  
5 *he is compelled to testify or produce evidence, documentary or*  
6 *otherwise, after having claimed his privilege against self-*  
7 *incrimination, except that any such individual so testifying*  
8 *shall not be exempt from prosecution and punishment for*  
9 *perjury committed in so testifying. Such agency or the Chair-*  
10 *man of the War Production Board shall not publish or dis-*  
11 *close any information obtained under this title which such*  
12 *agency or the Chairman of the War Production Board deems*  
13 *confidential or with reference to which a request for confi-*  
14 *dential treatment is made by the person furnishing such*  
15 *information, unless such agency or the Chairman of the War*  
16 *Production Board determines that the withholding thereof is*  
17 *contrary to the interest of the national defense and security;*  
18 *and anyone violating this provision shall be guilty of a felony*  
19 *and upon conviction thereof shall be fined not exceeding*  
20 *\$1,000, or be imprisoned not exceeding two years, or both.*

21 *SEC. 1403. In case of contempt by, or refusal to obey a*  
22 *subpena issued to, any person, any agency acting hereunder,*  
23 *or the Chairman of the War Production Board, as the case*  
24 *may be, may invoke the aid of any court of the United States*  
25 *within the jurisdiction of which any investigation or proceed-*



1 ing under this title is carried on, or where such person resides  
2 or carries on business, in requiring the attendance and testi-  
3 mony of witnesses and the production of books, records, or  
4 other documentary or physical evidence. And such court may  
5 issue an order requiring such person to give testimony or  
6 produce any books, records, or other documentary or physical  
7 evidence touching the matter under investigation or in ques-  
8 tion; and any failure to obey such order of the court may be  
9 punished by such court as contempt thereof. All process in  
10 any such case may be served in the judicial district whereof  
11 such person is an inhabitant or wherever he may be found.  
12 Any person who shall, without just cause, fail or refuse to  
13 attend and testify or to answer any lawful inquiry or to  
14 produce books, records, or other documentary or physical  
15 evidence, if in his power to do so, in obedience to the subpoena  
16 of any agency acting hereunder, or the Chairman of the War  
17 Production Board, as the case may be, shall be guilty of a  
18 misdemeanor, and, upon conviction, shall be subject to a fine  
19 of not more than \$5,000, or to imprisonment for a term of  
20 not more than one year, or both.

21       SEC. 1404. For purposes of this title the term "person"  
22 shall include any individual, partnership, association, business  
23 trust, corporation, or any organized group of persons, whether  
24 incorporated or not.

1      *TITLE XV—UTILIZATION OF VITAL WAR*  
2      *INFORMATION*

3        *SEC. 1501. The Secretary of Commerce is authorized,*  
4   *subject to any regulation or direction that the President*  
5   *may issue, to make such special investigations and reports*  
6   *of census or statistical matters as may be needed in con-*  
7   *nection with the conduct of the war, and in carrying out the*  
8   *purpose of this section, to dispense with or curtail any regular*  
9   *census or statistical work of the Department of Commerce, or*  
10   *any bureau or division thereof. Any person, partnership,*  
11   *firm, or corporation, who shall refuse or willfully neglect to*  
12   *answer any questions in connection with any special investiga-*  
13   *tions made under this section, or who shall willfully give*  
14   *answers that are false, shall be fined not exceeding \$500 or*  
15   *imprisoned for a period of not exceeding sixty days, or both.*

16        *SEC. 1502. That notwithstanding any other provision of*  
17 *law, any record, schedule, report, or return, or any infor-*  
18 *mation or data contained therein, now or hereafter in the*  
19 *possession of the Department of Commerce, or any bureau*  
20 *or division thereof, may be made available by the Secretary*  
21 *of Commerce to any branch or agency of Government for*  
22 *use in connection with the conduct of the war, subject to any*  
23 *regulations that the President may issue. No person shall*  
24 *disclose or make use of any individual record, schedule, re-*  
25 *port, or return, or any information or data contained therein*  
26 *contrary to the terms of such regulations; and any one vio-*



1 *lating this provision shall be guilty of a felony and upon*  
 2 *conviction thereof shall be fined not exceeding \$1,000, or be*  
 3 *imprisoned not exceeding two years, or both.*

4 TITLE ~~(45)XV~~ XVI—TIME LIMIT AND SHORT  
 5 TITLE

6 SEC. ~~(46)1501~~ 1601. Titles I to X, inclusive, and  
 7 ~~(47)title XX~~ titles XII and XV of this Act ~~(48)~~, and the  
 8 *amendments to existing law made by any such title*, shall  
 9 remain in force only until December 31, 1944, or until such  
 10 earlier time as the Congress by concurrent resolution, or the  
 11 President, may designate, ~~(49)and after such amendments~~  
 12 *cease to be in force any provision of law amended thereby*  
 13 *shall be in full force and effect as though this Act had not*  
 14 *been enacted*; but no court proceedings brought under any  
 15 such title shall abate by reason of the termination hereunder  
 16 of such title.

17 SEC. ~~(50)1502~~ 1602. This Act may be cited as the  
 18 “Second War Powers Act, 1942”.

Passed the Senate January 28 (legislative day, January  
 23), 1942.

Attest:

EDWIN A. HALSEY,

*Secretary.*

Passed the House of Representatives with amendments  
 February 28, 1942.

Attest:

SOUTH TRIMBLE,

*Clerk.*

By H. NEWLIN MEGILL.

# AN ACT

To further expedite the prosecution of the war.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1942

Ordered to be printed with the amendments of the  
House of Representatives numbered









Mr. DIES. I yield to the gentleman from Washington, an honest critic, but a gentleman with it all.

Mr. COFFEE of Washington. The gentleman takes all the steam out of a man.

Mr. DIES. Oh, I do not mean to do that. Go right ahead.

Mr. COFFEE of Washington. I am so fond of the gentleman from Texas that I even hesitate to ask this simple question, but I know the gentleman has a very logical answer to this and I am sure all of us will be enlightened by his reply, because I have had many people inquiring of me, asking why it was that Father Coughlin's organization had not been investigated.

Mr. DIES. The answer to that is that Father Coughlin's organization has been investigated. We have in our files evidence with reference to him and with reference to other characters. Now, do you know what they are complaining about? Let me give you the facts.

The SPEAKER. The gentleman has consumed 53 minutes.

Mr. DIES. I want to give the House the facts. I am ready to answer any questions at any time.

We had a number of letters urging us to bring Father Coughlin to Washington and subject him to questioning. I always suspected that those who were urging that were those who wanted to advertise Father Coughlin. We also had letters demanding that Gerald Winrod, a preacher, should be brought before the committee and be investigated, and other preachers. I took the position, and this committee supported that position—and I think that is evidence that it is a wise position—that whenever this committee brought to Washington any preachers or priests and undertook to examine them publicly and permit them to be held in contempt, which would have been the inevitable result, for if Father Coughlin had appeared before our committee, as shrewd a publicist as he is, and had done what others did, and had said, "I refuse to answer any questions," or demanded to make a speech and we had held him in order, then we would have been compelled to appear before this House and ask you to cite in contempt certain priests and preachers. If we had done that, from all over the country there would have arisen an outcry denouncing us as being against certain religions. What we did do, however, was to obtain all of the evidence that we could possibly secure, and we have that evidence and we are now making preparations to give the American people the evidence; both the evidence we have obtained in the past and evidence which we secured this year.

Let me say to the gentleman that we seek to be fair about this matter. As you will observe in our report, a great deal of this evidence is an attempt to smear personally the President of the United States. I think when you read this report you will find that there has been a well-concerted plan, not to attack the President's policies, for that is the right of every citizen. In fact, I am one of those who believes that the greatest service that can be rendered to the President is to give him the benefit of

honest, constructive criticism. If the House is not to do that, then why not just all quit and go home? I mean if we are not permitted, in a spirit of honesty and fair dealing and common love of our country, to stand on the floor and, with respect and dignity, urge that certain things are wrong in the executive department, then the House of Representatives has lost its dignity and its great independence. But this is a type of evidence, consisting of Axis propaganda, directed at the person of the President, propaganda that has been distributed, millions of pieces all over the country, designed to undermine the confidence of the people in the personal integrity of the Chief Executive, knowing that if that is accomplished, the Axis Powers will then be in a position to divide us from within. I say that because I want the gentleman to know, and I believe the gentleman is fair—I believe every Member of this House is fair. I believe if you will go over our records in our office, you will come to the same conclusion that many agencies of this Government have come to.

That is that this committee has performed a wonderful service, because we have been able to seize records and to compel people to testify, while other agencies of the Government have been unable to do that.

I cannot reveal the name of the man or the men, or exactly what they said, but I am sure they would not object. I spoke to some men very high in this Government on the question of the continuation of the Committee on Un-American Activities, and I said to them frankly, as I said to the Rules Committee, that it is no personal favor to any member of this committee to continue it. There is no more difficult task assigned to any Member of Congress than to deal with this explosive subject. No committee—and the gentleman from Massachusetts [Mr. McCORMACK] can bear me out, for he was chairman of the committee which preceded our committee—he will tell this House that it is one thing to get up and criticize a committee or to say it ought to do this or it ought to do that, but when you are charged with responsibility at a time of great crisis in a Nation's history, then you find it not always easy to do these things that your critics tell you to do.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman referred to the gentleman from Massachusetts. I may say that I subscribe to that statement completely. It is a most difficult task to be the chairman of an investigating committee, such as the committee presided over by the gentleman from Texas. Having had experience along that line, I say that we have got to be very tolerant in our criticism.

Mr. DIES. Mr. Speaker, may I conclude by saying that I hope we will permit this to be an example on the floor of this House. All of us are facing a very difficult period, Republicans and Democrats alike. Never before in the history of America was there more need for sin-

cerity, honesty, and zeal in the discharge of public duty than today. America is face to face with a mechanized barbarism that threatens our security and our very existence. If ever there was a time when representatives of the people should demonstrate an attitude of patriotism, of fairness, of courtesy, it is today. Whatever may come, whatever the provocation may be, let each of us have a spirit of tolerance and good will toward all the rest of us.

And to the press of the country, may I say to you—and I have dealt with the press rather extensively in the past 4 years—many of you have been very fair to our committee, some of you have been unfair to our committee. You have carried statements that were utterly false. Let me say to you gentlemen that serving in Congress is not as easy as you think it is. Service in Congress during this difficult period when you are besieged by all kinds of problems, when there are those calling upon you daily and hourly for this and for that service, requires all of the patience and all of the courage and all of the patriotism that any of us have; and as we approach that difficult time let it be as friends. Even though—even though—we disagree one with another let us be patient and tolerant and let us continue to be friends fighting in a common cause for the greatest Republic that ever existed in all the annals of history. [Here the gavel fell.]

LT. EDWARD H. O'HARE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Speaker, I read from this morning's Washington Post and quote Mrs. Selma O'Hare, the mother of Lt. Edward H. O'Hare, a Navy pilot.

The account says this boy shot down six Japanese planes in an air battle over the Pacific Ocean. Mrs. O'Hare said:

I'm all elated.

I understand that two of them got away. He should have got those, too.

How glad I am to hear this. I wrote him last week to "Keep 'em flying," and said we were all behind him. We've got to win this war.

Mrs. O'Hare classed the young man as an average boy. She said he always liked planes and that he told her several times he liked to fly a fighter plane, but that he was never much interested in shooting. She concluded her statement by saying, "But he seems to shoot well enough now."

Mr. Speaker, I know the people of St. Louis are mighty proud of Lieutenant O'Hare. The people of my district are likewise mighty proud of him, and I am doubly proud of him because I had the honor in 1933 to appoint him to the Naval Academy.

[Here the gavel fell.]

JOHN O. SNYDER

Mr. BEITER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.



The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BEITER. Mr. Speaker, John O. Snyder today completes 41 years of service in the House of Representatives. This is a record of which we are all proud. He has rendered faithful service to the House and to his country. I know that the Members on both sides of the aisle join with me in a sincere tribute to him. It is our wish that Johnnie Snyder may continue to serve in the House as long as he so desires and that the coming years hold only the best in store for him.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARTIN J. KENNEDY]?

There was no objection.

#### A DAILY PRAYER AT NOON IN THE CAPITOL

Mr. MARTIN J. KENNEDY. Mr. Speaker, the daily news and radio announcements concerning the war must of necessity contain an account of the damage suffered by our ships, a list of our wounded, and the roll of honor of our heroic dead. These reports cause great unhappiness and leave our people in need of spiritual encouragement and moral support.

I suggest that we here in Congress supply this encouragement by holding a joint, informal, 5-minute session each day at noon in the rotunda of the Capitol where prayers will be said by our chaplains and guest chaplains. These prayers should be broadcast nationwide and made a part of our national life. Our prayer and the prayer of every American should be for the success of our cause and the welfare of our men in the armed forces. This service will afford us here in Washington and the people of the Nation a much-sought opportunity to join in daily prayer and tribute for our fellow Americans who have made the supreme sacrifice for our beloved country.

It will be a great step toward our much desired and needed national unity and an acknowledgment of our dependence upon the almighty God.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include a news article.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. JACKSON]?

There was no objection.

[Mr. JACKSON addressed the House. His remarks will appear hereafter in the Appendix.]

#### SECOND WAR POWERS BILL, 1942

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2208) to further expedite the prosecution of the war, with House amendments thereto, insist on the House amendments and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection, and the Speaker appointed the following conferees on the part of the House: Messrs. SUMNERS of Texas, McLAUGHLIN, and HANCOCK.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

#### AMENDMENT TO INTERNAL REVENUE CODE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I am today introducing a bill entitled "A bill to extend to April 15 the time for filing certain income-tax returns."

*Be it enacted, etc.,* That (a) the first sentence of section 53 (a) (1) of the Internal Revenue Code (relating to the time for filing returns) is amended to read as follows: "Returns made on the basis of the calendar year shall be made on or before the 15th day of March in the case of a corporation, and on or before the 15th day of April in the case of an individual, following the close of the calendar year."

(b) The amendment made by subsection (a) shall be applicable to taxable years beginning after December 31, 1940.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my own remarks in the Record by including part of an article by Drew Pearson and Robert S. Allen in today's Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOODRUFF]?

There was no objection.

[Mr. WOODRUFF of Michigan addressed the House. His remarks appear in the Appendix of today's Record.]

#### EXTENSION OF REMARKS

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the Record and to include a telegram and a short editorial from my home paper.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. GILLIE]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in two instances in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. SHAFER]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a statement on the importance of the Great Lakes shipbuilding facilities.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BOGGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an article by Walter Lippmann.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein an editorial from the Portland Oregonian.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein a telegram from the gentleman from California [Mr. TOLAN], chairman of the Select Committee Investigating National Defense Migration.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record in connection with the accident of the steamship *Struma*, the refugee ship.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on next Tuesday, March 10, at the conclusion of the legislative program of the day and following any other special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### THE LATE JOHN M. MORIN

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, it is with sorrow that I announce the death on yesterday of a former Member of this House, a man who represented the dis-



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farmers of that State feel that I am as good a friend as they have in the State of Wisconsin, especially in my own district. I know what the good farmers are thinking about the amount of money that is being spent here for agriculture, and I hear it from every farmer that I talk to that they want to reduce the expenses of this Government. They are perfectly willing to do their share in doing it.

I was very glad to hear the chairman of the Committee on Appropriations tell you that this travel expense is unnecessary because, in my opinion, it ought to be cut out. I should like to know where we are going to get the people to do the fighting in this war if we have these fellows running around interfering in every farmer's business. What the farmer wants to do today is to get rid of these men who have been advising him for 6 or 7 years now, because he feels now that he knows the program of the Government and is perfectly willing to carry it out if he is given an opportunity to do so.

Now we must get some of these men off the pay roll. I do not know whether you realize the tremendous increase in the appropriations for agriculture or not, but I pointed out here on the floor a few days ago how we have increased the appropriations from about \$38,000,000 in 1918, to about \$1,300,000,000 last year. A large amount of this money, as pointed out by the chairman of the Appropriations Committee, is spent upon men who go around and take up the time of the good farmer who wants to get his work done in giving him advice. He has now had all the advice he needs or wants, and he is perfectly willing we should take some of these fellows, at least, and put them out on the farm working or put them in the Army where they can do some fighting.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield.

Mr. GIFFORD. One of these men said, "I have a book here with some instructions, so you can do much better." He said, "I don't need it; I ain't doing as well as I know now."

Mr. JOHNS. I think there is something in that. Personally, I think the good farmers of this country are able to take care of themselves with the amount of money they are getting, and yesterday we gave them parity, and we are going to see that they get the prices for their products, and that is all the farmers want. I do hope that this Congress can appreciate what the people are thinking back home, not only with this farm program but every program that comes along here for appropriations. We know there are a number of people who are useless in each one of these departments, and we will help by eliminating them as much as we possibly can and save this money for our national defense.

I hope this amendment will be adopted, and I trust the Democrats will join with the Republicans and the Republicans with the Democrats in seeing that it is done.

Mr. TARVER. Mr. Chairman, I would like to see if we can reach an agreement

as to closing debate on this paragraph and all amendments thereto.

Mr. TABER. Mr. Chairman, may I suggest to the gentleman that if we had 20 minutes that ought to do?

Mr. TARVER. We have read only one paragraph of the provisions for rural rehabilitation, and closing debate on this paragraph would not have anything to do with closing debate on the paragraph authorizing \$70,000,000 in loans.

Mr. Chairman, I ask unanimous consent that further debate on this paragraph and all amendments thereto may be limited to 1 hour, the last 10 minutes to be controlled by the committee in opposition to the amendment.

Mr. HOOK. Reserving the right to object, Mr. Chairman, it seems rather queer that when some Members get up and ask for extra time of 5 minutes they get it, but when some other Members interested in the proposition get up here to speak they try to close debate.

The CHAIRMAN. The gentleman from Georgia [Mr. TARVER] asks unanimous consent that all debate on this paragraph and all amendments thereto close in 1 hour.

Mr. HOOK. Mr. Chairman, I object.

Mr. TARVER. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 1 hour.

The motion was agreed to.

Mr. TARVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RAMSPECK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill H. R. 6709 the agricultural appropriation bill, had come to no resolution thereon.

#### FILING OF CONFERENCE REPORT

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight to file conference report on the bill S. 2208.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The conference report and statement follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2208) entitled "An act to further expedite the prosecution of the war," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 30, 33, 34, 35, 36, 38, 39, 40, 41, 42, 43, 48 and 49 and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with the following amendments: Page 2, line 18 of the House engrossed amendments, strike out the comma and the words "and deliveries" and insert in lieu thereof a period and the word "Deliveries", and in line 20 after the word "and" where it appears the first time, insert the words "deliveries of ma-

terial under", and in the same line strike out the word "and" where it appears the second time and insert in lieu thereof the word "or"; and the House agree to the same.

Amendment numbered 11: That the Senate recede from its disagreement to the amendment of the House numbered 11, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment strike out, in the Senate engrossed bill, all after "subsection." in lines 8 and 9, page 5, down to and including "defense." in line 23, and insert in lieu thereof the following (printed flush):

"Deliveries under any contract or order specified in this subsection (a) may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense."

And the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment, as follows: Page 5, line 7, of the House engrossed amendments, after the word "documentary", insert the words "evidence or certified copies thereof"; and the House agree to the same.

Amendment numbered 27: That the Senate recede from its disagreement to the amendment of the House numbered 27, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment strike out, in the Senate engrossed bill, lines 13 to 18, inclusive, on page 8, and insert in lieu thereof the following: "by striking out the proviso therein and inserting in lieu thereof the following: 'Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000.'"; and the House agree to the same.

Amendment numbered 28: That the Senate recede from its disagreement to the amendment of the House numbered 28, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"Sec. 501. The head of each department or agency responsible for the administration of the navigation and vessel inspection laws is directed to waive compliance with such laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request. The head of such department or agency is authorized to waive compliance with such laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other Government agency whenever he deems that such action is necessary in the conduct of the war."

And the House agree to the same.



Amendment numbered 29: That the Senate recede from its disagreement to the amendment of the House numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"Sec. 602. The second sentence of the first paragraph of section 1 of the Act of October 16, 1941 (55 Stat. 742), entitled 'An Act to authorize the President of the United States to requisition property required for the defense of the United States', is amended by striking out the words 'on the basis of the fair market value of the property at' and inserting in lieu thereof the words 'as of'; and at the end of such sentence, before the period, inserting the words ', in accordance with the provision for just compensation in the Fifth Amendment to the Constitution of the United States', so that such sentence will read as follows:

"The President shall determine the amount of the fair and just compensation to be paid for any property requisitioned and taken over pursuant to this Act and the fair value of any property returned under section 2 of this Act, but each such determination shall be made as of the time it is requisitioned or returned, as the case may be, in accordance with the provision for just compensation in the Fifth Amendment to the Constitution of the United States."

And the House agree to the same.

Amendment numbered 31: That the Senate recede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment, as follows: Page 11, line 4 of the Senate engrossed bill, strike out the word "or"; and the House agree to the same.

Amendment numbered 37: That the Senate recede from its disagreement to the amendment of the House numbered 37, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment with the following amendments:

Page 13, line 8 of the Senate engrossed bill, after the number "1137" insert "; U. S. C. 1940 ed., Title 8, secs. 501-907".

Page 13, line 17 of the Senate engrossed bill, after the word "war" insert: "and who, having been lawfully admitted to the United States, including its Territories and possessions, shall have been at the time of his enlistment or induction a resident thereof."

Page 13, lines 19 and 20 of the Senate engrossed bill, strike out the words "and no certificate of arrival".

Page 14, lines 23 and 24 of the Senate engrossed bill, strike out the words "this Act as provided in title XV" and insert in lieu thereof "those titles of the Second War Powers Act, 1942, for which the effective period is specified in the last title thereof".

Page 16, line 18 of the Senate engrossed bill, after the word "Act" insert: "; and such ground for revocation shall be in addition to any other provided by law".

Page 16, strike out lines 23 and 24 of the Senate engrossed bill.

And the House agree to the same.

Amendment numbered 44: That the Senate recede from its disagreement to the amendment of the House numbered 44, and agree to the same with amendments, as follows: Page 10, line 14 of the House engrossed amendments after "documentary" insert "evidence or certified copies thereof", and in lieu of the matter proposed to be inserted by that part of the House amendment beginning on page 12, line 19 of the House engrossed amendments, and ending on page 13, line 21 thereof, insert the following:

"Sec. 1501. The Secretary of Commerce shall, at the direction of the President, and subject to such regulations as the President may issue, make such special investigations and reports of census or statistical matters as may be needed in connection with the con-

duct of the war, and, in carrying out the purpose of this section, dispense with or curtail any regular census or statistical work of the Department of Commerce, or of any bureau or division thereof. Any person who shall refuse or willfully neglect to answer any questions in connection with any special investigations made under this section, or who shall willfully give answers that are false, shall upon conviction thereof be fined not exceeding \$500 or imprisoned for a period of not exceeding sixty days, or both.

"Sec. 1502. That notwithstanding any other provision of law, any record, schedule, report, or return, or any information or data contained therein, now or hereafter in the possession of the Department of Commerce, or any bureau or division thereof, may be made available by the Secretary of Commerce to any branch or agency of the Government, the head of which shall have made written request therefor for use in connection with the conduct of the war. The President shall issue regulations with respect to the making available of any such record, schedule, report, return, information or data, and with respect to the use thereof after the same has been made available. No person shall disclose or make use of any individual record, schedule, report, or return, or any information or data contained therein contrary to the terms of such regulations; and any person knowingly and willfully violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

"Sec. 1503. For purposes of this title the term "person" shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not."

And the House agree to the same.

The committee of conference have not agreed to the following amendments:

#### *Disagreement as to substance*

Amendment numbered 32.

#### *Disagreement solely as to title and section numbers and cross-references*

Amendments numbered 45, 46, 47, and 50.

HATTON W. SUMNERS,

CHARLES F. McLAUGHLIN,

CLARENCE E. HANCOCK,

*Managers on the part of the House.*

JOSEPH C. O'MAHONEY,

WALL DOXEY,

WARREN R. AUSTIN,

*Managers on the part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2208) entitled "An act to further expedite the prosecution of the war", submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments numbered 1, 2, 3, 4, 5, 6, 7, and 8: These amendments are of a minor clarifying or clerical nature. The Senate recedes.

Amendment numbered 9: The Senate bill made specific amendments to paragraph (1) of subsection (a) of section 2 of the Priorities Law (the act of June 28, 1940, as amended) and the House amendment set out the full text of that paragraph. The Senate recedes from its disagreement to the amendment of the House with amendments of a minor nature which clarify the language. The amendment, in setting out the full text of such paragraph (1) necessarily repeats language of existing law in which no change is proposed. Included in this language in which no change is proposed are certain restrictions on the making of Government contracts. The First War Powers Act authorized the President to relax certain requirements in the making,

performance or modification of contracts whenever he deems such action would facilitate prosecution of the war. The President's powers under the First War Powers Act are not intended to be restricted by the restate-ment in this legislation of such provisions of paragraph (1) of section 2 (a).

Amendment numbered 10: This amendment is a clarifying one. The Senate recedes.

Amendment numbered 11: This amendment is of a clerical nature. The conferees agreed to an amendment in lieu of the House amendment which merely strikes out all after "subsection." in lines 8 and 9, page 5 down to and including "defense." in line 23 in the Senate engrossed bill, and reinserts the same language with the House amendment (printed flush), so that the style and arrangement will be corrected and conform to the present law.

Amendments numbered 12 and 13: These two amendments are clerical ones and the Senate recedes.

Amendment numbered 14: This amendment set forth the subpoena powers of the President to obtain books and records in connection with priorities, and permitted the furnishing of certified copies. The bill as it passed the Senate made applicable similar powers of the Federal Trade Commission, by reference. The Senate recedes with an amendment to insert after the word "documentary" the words "evidence or certified copies thereof", in order to make the language contained in the House amendment consistent.

Amendments numbered 15, 16, 17, 18, 19, 20, 21, and 22: These amendments are clerical, and the Senate recedes.

Amendment numbered 23: This amendment eliminated the restriction which limited the benefits of the provisions of paragraph (7) under Title III of the bill to persons who had received priority or allocations orders, and extended such benefits to any person who defaults on a contract caused by compliance with such an order. The Senate recedes.

Amendments numbered 24, 25, and 26: These amendments are clerical, and the Senate recedes.

Amendment numbered 27: This amendment provided for limiting to \$5,000,000,000 the aggregate amount of bonds, notes, or other obligations of the United States or which are fully guaranteed by the United States as to principal and interest, which Federal Reserve banks may buy and sell without regard to maturities. The Senate recedes with an amendment which rewrites the proviso of subsection (b) of section 14 of the Federal Reserve Act making it clear that direct purchases from the Treasury are to be subject to the usual rules governing purchases in the open market and that the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the 12 Federal reserve banks shall not exceed \$5,000,000,000.

Amendment numbered 28: This amendment restored Title V of the bill, relating to the waiver of navigation and inspection laws, to the form in which it was reported by the Senate Committee on the Judiciary to the Senate. On February 28, 1942 the President issued an Executive order transferring the authority vested in the Secretary of Commerce to waive compliance with the navigation and vessel inspection laws, to the Secretary of the Navy and the Secretary of the Treasury. It was therefore desirable to change the House amendment and make the language flexible so that the "head of each department or agency responsible for the administration of the navigation and vessel inspection laws" will be authorized to make the waiver. The Senate recedes with amendments effecting this change.

Amendment numbered 29: This amendment was made on the floor of the House and proposed that whenever machinery or equip-



ment in actual use and necessary to the operation of a factory or business is requisitioned, the owner be paid fair and just compensation which shall not be less than the difference between the fair market value of such factory or business before and after the taking of such equipment or machinery. The conferees agreed to an amendment in lieu of the House amendment which would rewrite the second sentence of the first paragraph of section 1 of the Requisition Law (act of October 16, 1941) to make it clear that the determination as to the amount to be paid for property requisitioned or returned shall be in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States.

Amendment numbered 30: This amendment is a clerical correction. The Senate recedes.

Amendment numbered 31: This amendment was made on the floor of the House and has the effect of exempting members of Selective Service and Training Boards from certain prohibitions of the Hatch Act. The Senate recedes with an amendment to strike out the additional word "or" to clarify the language.

Amendments numbered 33, 34, 35, and 36: These amendments clarified the language of title IX to make it clear that protection may be afforded against hazards other than forest fires. The Senate recedes.

Amendment numbered 37: This amendment struck out title XI of the bill providing for the naturalization of aliens honorably serving in the armed forces of the United States during the present war. The conferees have restored the title with several amendments. The amendments require that the alien shall have been lawfully admitted to the United States, including its Territories and possessions, and a resident thereof at the time of his enlistment or induction; and provision is made that the revocation of citizenship of a person subsequently dishonorably discharged is a ground for revocation in addition to any other provided by law. As the alien is required to have been lawfully admitted, the language is stricken out which would have relieved the necessity of furnishing a certificate of arrival. Clerical amendments also have been made.

Amendments numbered 38, 39, and 40: These amendments are clerical changes. The Senate recedes.

Amendment numbered 41: This amendment eliminated a restriction of the Senate bill which would have limited the addition of other metals to 10 percent of the proposed new 5-cent piece of silver and copper. The restriction was eliminated in order not to limit the possibility of devising an all-purpose 5-cent piece. The Senate recedes.

Amendment numbered 42: This amendment merely added "records" to the authorization for inspection and audit of war contractors books and plants. The Senate recedes.

Amendment numbered 43: This amendment was made on the floor of the House and provided that the inspection and audit of war contractors and the determination whether a given contract is a "defense contract" should be made by a governmental agency or officer designated by the President or by the Chairman of the War Production Board, instead of by the agency placing such contract or order or the contract or order under which such subcontract was placed, or by the chairman of the War Production Board. The Senate recedes.

Amendment numbered 44: This amendment did two things: First, it inserted in title XIV specific provisions with respect to administering oaths, requiring the attendance and testimony of witnesses, and other related matters, in lieu of the provisions of the Senate bill which made the provisions of sections 9 and 10 of the Federal Trade Commission Act applicable by reference. Second, it added a new title XV to the bill, granting

to the Secretary of Commerce authority to make special investigations and reports, subject to the direction of the President, needed in connection with the conduct of the war. The Senate recedes with amendments which (1) make clear that the Secretary of Commerce is to make the special investigations and reports, and dispense with or curtail regular census or statistical work, when directed by the President, and subject to regulations issued by the President, and (2) define the term "person" and use such term in appropriate places in the title, (3) make clear that the regulations of the President issued under section 1502 shall apply both to the making of information available by the Secretary of Commerce and to the use of such information after it has been made available, (4) provide that records and other information are to be made available only on written request, and (5) provide that only knowing and willful violations of the President's regulations will be subject to punishment.

Amendments numbered 48 and 49: The bill makes numerous amendments to existing law which are intended to be effective only during the period specified in the last title of the bill. Amendments numbered 48 and 49 were intended to make this purpose more clear. The Senate recedes.

The committee of conference have not agreed on the following amendment of substance:

Amendment numbered 32, which struck out title VIII of the Senate bill, relating to compensation for certain civilian defense workers.

The committee of conference have not agreed on the following amendments relating solely to title and section numbers and cross-references, because the proper numbering cannot be determined until an agreement is reached with respect to amendment numbered 32:

Amendments numbered 45, 46, 47, and 50.

HATTON W. SUMNERS,  
CHARLES F. McLAUGHLIN,  
CLARENCE E. HANCOCK.

*Managers on the part of the House.*

#### EXTENSION OF REMARKS

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address made by the Executive Assistant to the Attorney General.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HULL. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon and to include certain telegrams and tables therein.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

(Mr. DIRKSEN asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon.

The SPEAKER. Is there objection?  
There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks and include an editorial.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. COFFEE of Nebraska. Mr. Speaker I ask unanimous consent to revise and extend the remarks I made today and include a letter from the Office of Price Administration in connection with the sugar appropriation item discussed here today.

The SPEAKER. Is there objection?  
There was no objection.

Mr. SOUTH. Mr. Speaker, I ask unanimous consent to extend my remarks and include a letter from one of my constituents.

The SPEAKER. Is there objection?  
There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LEWIS. Mr. Speaker, I ask unanimous consent to extend the remarks I made today in the Committee of the Whole and include a letter from Secretary Wickard.

The SPEAKER. Is there objection?  
There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks made in the Committee of the Whole.

The SPEAKER. Is there objection?  
There was no objection.

Mr. TERRY. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?  
There was no objection.

Mr. LEAVY. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection?  
There was no objection.

#### LEAVE TO ADDRESS THE HOUSE

Mr. PLOESER. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative business and any other special orders I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?  
There was no objection.

#### WAKE UP AMERICA

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. WICKERSHAM] is recognized for 5 minutes.

Mr. WICKERSHAM. Mr. Speaker, I give credit for some information I desire to give to the House for the next 5 minutes to an editorial from the New York World-Telegram and the Daily Oklahoman, and ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?  
There was no objection.

Mr. WICKERSHAM. Mr. Speaker, wake up America—it's late.

The Nation needs to awaken to the full gravity of the peril that confronts it.

It needs to appreciate how badly we have been defeated in 3 months of war.



It needs to understand that it is possible for the United Nations and the United States to lose this war and suffer the fate of France—and that this possibility may become a probability if the present tide does not change.

It needs to realize that there is grave chance of the Japanese pushing through India and the Germans driving through the Near East to join their armies and resources in an almost unbeatable combination.

It needs to get away, once and for all, from the comforting feeling that while we may lose at the start we are bound to win in the end.

Only when fully aware of existing perils will the United States do its utmost. Pray God that awareness will not come too late, as it did in France.

Production Director Donald Nelson appeals for vastly increased industrial output on a 24-hour, 7-day basis—168 hours a week. Maximum production, in short.

Can we get it?

Not on the present basis—not under the psychology of recent years.

Not until we quit thinking in terms of less work for more money.

Not while there is greater concern about overtime pay than overtime production.

Not while politicians are more interested in higher prices than raising more essentials.

Not while Government bureaus—created to meet a depression emergency that is ended—continue to grab for themselves money needed for armaments.

Not while an army of Federal press agents clamors to promote and perpetuate activities that have no present need or value.

Not while Congressmen try to put over useless canals and river schemes and take up the time of defense officials clamoring for factories and contracts as if war were a great gravy train.

Not while strikes hamper war production, despite a solemn promise that they would stop.

Not while the life-and-death need for uninterrupted production is used as a weapon to put over the closed shop.

Not while double time is demanded for Sunday work or time-and-a-half in excess of a 40-hour week.

Not while a man cannot be employed on an Army project or in a war plant until he pays \$20 to \$500 or more to a labor racketeer.

Not while criminal gangs control employment and allocation of men to work on the *Normandie* and the other ships along New York's vast water front.

Not while fifth columnists are pampered and enemy aliens move freely in defense areas.

Not while the grim job of preparing our home communities against air raids and sabotage is gummed up with a lot of highfalutin', boondoggling, social-service activity.

Not while pressure blocs clamor for higher benefits and bounties.

We will not get maximum production, in short, unless, first, we fully realize our awful peril; and, second, get over the "gimmes" of recent years, such as:

"Gimme shorter hours, gimme higher wages, gimme bigger profits, gimme more overtime, gimme less work, gimme more appropriations and patronage, gimme plants for my congressional district, gimme fees and dues to work for Uncle Sam, gimme ham and eggs, gimme share-the-wealth."

France had the "gimmes," too—had them till the Germans were close to Paris. Then everybody went frantically to work—too late.

France has no "gimmes" today—except "gimme food for my baby, gimme a place to lay my head, gimme death."

#### EXTENSION OF REMARKS

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the *RECORD* and include an address by our colleague the gentleman from Indiana [Mr. HARNES].

The SPEAKER pro tempore (Mr. SOUTH). Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the *RECORD* and include an article from the *New York Sun*.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MARCANTONIO. Mr. Speaker, also, I ask unanimous consent to extend my remarks and include a resolution from the Puerto Rican Legislature.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BALDWIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the *RECORD* and to include an article from the *Evening Star*.

The SPEAKER pro tempore. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. MERRITT, indefinitely, on account of illness.

#### HOOR OF MEETING TOMORROW

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection?

There was no objection.

#### ADJOURNMENT

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House, pursuant to the order heretofore

adopted, adjourned until tomorrow, Friday, March 13, 1942, at 11 o'clock a. m.

#### COMMITTEE HEARINGS

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS  
(Friday, March 13, 1942)

There will be a meeting of the Committee on Public Buildings and Grounds on Friday, March 13, 1942, at 10 a. m., for consideration of H. R. 6483 and House Joint Resolution 290. The hearing will be held in the caucus room, Old House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN  
COMMERCE

(Tuesday, April 14, 1942)

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Tuesday, April 14, 1942. Business to be considered: Hearings along the line of the Sanders bill, H. R. 5497, and other matters connected with the Federal Communications Commission.

COMMITTEE ON IRRIGATION AND RECLAMATION  
(Friday, March 13, 1942)

The Committee on Irrigation and Reclamation will meet Friday, March 13, at 10:30 a. m., in room 353, House Office Building, to continue hearings on the bill H. R. 6522.

#### EXECUTIVE COMMUNICATIONS, ETC.

1486. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a draft of a proposed bill to amend sections 1 and 2 of chapter XIX of the Army Appropriation Act approved July 9, 1918 (40 Stat. 892; 33 U. S. C. 3), was taken from the Speaker's table and referred to the Committee on Military Affairs.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CARTER: Committee on Rivers and Harbors. H. R. 2989. A bill to authorize the use of a tract of land in California known as the Millerton Rancheria in connection with the Central Valley project, and for other purposes; without amendment (Rept. No. 1894). Referred to the Committee of the Whole House on the state of the Union.

Mr. ANDERSON of New Mexico: Committee on Indian Affairs. H. R. 622. A bill authorizing the Snake or Piute Indians of the former Malheur Indian Reservation of Oregon to sue in the Court of Claims, and for other purposes; with amendment (Rept. No. 1895). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee of conference on the disagreeing votes of the two Houses. S. 2208. An act to further expedite the prosecution of the war (Rept. No. 1896). Ordered to be printed.

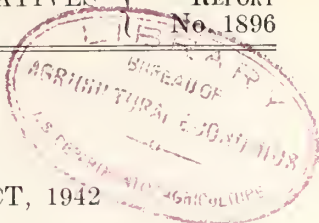
#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON of Georgia:  
H. R. 6778. A bill to provide that certain provisions of law relating to the Navy shall



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## SECOND WAR POWERS ACT, 1942

MARCH 12, 1942.—Ordered to be printed.

Mr. SUMNERS of Texas, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany S. 2208]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2208) entitled "An act to further expedite the prosecution of the war," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 30, 33, 34, 35, 36, 38, 39, 40, 41, 42, 43, 48, and 49 and agree to the same.

#### Amendment numbered 9:

That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with the following amendments:

Page 2, line 18, of the House engrossed amendments, strike out the comma and the words "and deliveries" and insert in lieu thereof a period and the word *Deliveries*, and, in line 20, after the word "and" where it appears the first time, insert the words *deliveries of material under*, and in the same line strike out the word "and" where it appears the second time and insert in lieu thereof the word *or*; and the House agree to the same.

#### Amendment numbered 11:

That the Senate recede from its disagreement to the amendment of the House numbered 11, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment strike out, in the Senate engrossed bill, all after "subsection." in lines 8 and 9, page 5, down to and including "defense." in line 23, and insert in lieu thereof the following (printed flush):

*Deliveries under any contract or order specified in this subsection (a) may be assigned priority over deliveries under any other contract or*

order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

And the House agree to the same.

Amendment numbered 14:

That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment, as follows:

Page 5, line 7, of the House engrossed amendments, after the word "documentary", insert the words *evidence or certified copies thereof*; and the House agree to the same.

Amendment numbered 27:

That the Senate recede from its disagreement to the amendment of the House numbered 27, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment strike out, in the Senate engrossed bill, lines 13 to 18, inclusive, on page 8, and insert in lieu thereof the following: *by striking out the proviso therein and inserting in lieu thereof the following: "Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000."*; and the House agree to the same.

Amendment Numbered 28:

That the Senate recede from its disagreement to the amendment of the House numbered 28, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

*SEC. 501. The head of each department or agency responsible for the administration of the navigation and vessel inspection laws is directed to waive compliance with such laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request. The head of such department or agency is authorized to waive compliance with such laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other Government agency whenever he deems that such action is necessary in the conduct of the war.*

And the House agree to the same.



Amendment numbered 29:

That the Senate reeede from its disagreement to the amendment of the House numbered 29, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

*SEC. 602. The second sentence of the first paragraph of section 1 of the Act of October 16, 1941 (55 Stat. 742), entitled "An Act to authorize the President of the United States to requisition property required for the defense of the United States", is amended by striking out the words "on the basis of the fair market value of the property at" and inserting in lieu thereof the words "as of"; and at the end of such sentence, before the period, inserting the words", in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States", so that such sentence will read as follows: "The President shall determine the amount of the fair and just compensation to be paid for any property requisitioned and taken over pursuant to this Act and the fair value of any property returned under section 2 of this Act, but each such determination shall be made as of the time it is requisitioned or returned, as the case may be, in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States."*

And the House agree to the same.

Amendment numbered 31:

That the Senate reeede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment, as follows:

Page 11, line 4, of the Senate engrossed bill, strike out the word "or"; and the House agree to the same.

Amendment numbered 37:

That the Senate reeede from its disagreement to the amendment of the House numbered 37, and agree to the same with an amendment, as follows:

Restore the matter stricken out by said amendment with the following amendments:

Page 13, line 8, of the Senate engrossed bill, after the number "1137", insert ; *U. S. C. 1940 ed., title 8, secs. 501-907.*

Page 13, line 17, of the Senate engrossed bill, after the word "war", insert and who, having been lawfully admitted to the United States, including its Territories and possessions, shall have been at the time of his enlistment or induction a resident thereof.

Page 13, lines 19 and 20, of the Senate engrossed bill, strike out the words "and no certificate of arrival".

Page 14, lines 23 and 24, of the Senate engrossed bill, strike out the words "this Aet as provided in title XV" and insert in lieu thereof those titles of the Second War Powers Act, 1942, for which the effective period is specified in the last title thereof.

Page 16, line 18, of the Senate engrossed bill, after the word "Aet", insert ; and such ground for revocation shall be in addition to any other provided by law.

Page 16, strike out lines 23 and 24 of the Senate engrossed bill.

And the House agree to the same.

Amendment numbered 44:

That the Senate recede from its disagreement to the amendment of the House numbered 44, and agree to the same with amendments, as follows:

Page 10, line 14, of the House engrossed amendments, after "documentary", insert *evidence or certified copies thereof*, and in lieu of the matter proposed to be inserted by that part of the House amendment beginning on page 12, line 19, of the House engrossed amendments, and ending on page 13, line 21 thereof, insert the following:

*Sec. 1501. The Secretary of Commerce shall, at the direction of the President, and subject to such regulations as the President may issue, make such special investigations and reports of census or statistical matters as may be needed in connection with the conduct of the war, and, in carrying out the purpose of this section, dispense with or curtail any regular census or statistical work of the Department of Commerce, or of any bureau or division thereof. Any person who shall refuse or willfully neglect to answer any questions in connection with any special investigations made under this section, or who shall willfully give answers that are false, shall upon conviction thereof be fined not exceeding \$500 or imprisoned for a period of not exceeding sixty days, or both.*

*Sec. 1502. That notwithstanding any other provision of law, any record, schedule, report, or return, or any information or data contained therein, now or hereafter in the possession of the Department of Commerce, or any bureau or division thereof, may be made available by the Secretary of Commerce to any branch or agency of the Government, the head of which shall have made written request therefor for use in connection with the conduct of the war. The President shall issue regulations with respect to the making available of any such record, schedule, report, return, information or data, and with respect to the use thereof after the same has been made available. No person shall disclose or make use of any individual record, schedule, report, or return, or any information or data contained therein contrary to the terms of such regulations; and any person knowingly and willfully violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.*

*Sec. 1503. For purposes of this title the term "person" shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.*

And the House agree to the same.

The committee of conference have not agreed to the following amendments:

Disagreement as to substance: Amendment numbered 32.

Disagreement solely as to title and section numbers and cross-references: Amendments numbered 45, 46, 47, and 50.

HATTON W. SUMNERS,  
CHARLES F. McLAUGHLIN,  
CLARENCE E. HANCOCK,  
*Managers on the part of the House.*

JOSEPH C. O'MAHONEY,  
WALL DOXEY,  
WARREN R. AUSTIN,  
*Managers on the part of the Senate.*



## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2208) entitled "An act to further expedite the prosecution of the war," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments numbered 1, 2, 3, 4, 5, 6, 7 and 8: These amendments are of a minor clarifying or clerical nature. The Senate recedes.

Amendment numbered 9: The Senate bill made specific amendments to paragraph (1) of subsection (a) of section 2 of the Priorities Law (the act of June 28, 1940, as amended) and the House amendment set out the full text of that paragraph. The Senate recedes from its disagreement to the amendment of the House with amendments of a minor nature which clarify the language. The amendment, in setting out the full text of such paragraph (1), necessarily repeats language of existing law in which no change is proposed. Included in this language in which no change is proposed are certain restrictions on the making of Government contracts. The First War Powers Act authorized the President to relax certain requirements in the making, performance, or modification of contracts whenever he deems such action would facilitate prosecution of the war. The President's powers under the First War Powers Act are not intended to be restricted by the restatement in this legislation of such provisions of paragraph (1) of section 2 (a).

Amendment numbered 10: This amendment is a clarifying one. The Senate recedes.

Amendment numbered 11: This amendment is of a clerical nature. The conferees agreed to an amendment in lieu of the House amendment which merely strikes out all after "subsection." in lines 8 and 9, page 5, down to and including "defense." in line 23 in the Senate engrossed bill, and reinserts the same language with the House amendment (printed flush), so that the style and arrangement will be corrected and conform to the present law.

Amendments numbered 12 and 13: These two amendments are clerical ones and the Senate recedes.

Amendment numbered 14: This amendment set forth the subpoena powers of the President to obtain books and records in connection with priorities, and permitted the furnishing of certified copies. The bill as it passed the Senate made applicable similar powers of the Federal Trade Commission, by reference. The Senate recedes with an amendment to insert, after the word "documentary", the words "evidence or certified copies thereof", in order to make the language contained in the House amendment consistent.

Amendments numbered 15, 16, 17, 18, 19, 20, 21 and 22: These amendments are clerical, and the Senate recedes.

Amendment numbered 23: This amendment eliminated the restriction which limited the benefits of the provisions of paragraph (7) under title III of the bill to persons who had received priority or allocations orders, and extended such benefits to any person who defaults on a contract caused by compliance with such an order. The Senate recedes.

Amendments numbered 24, 25 and 26: These amendments are clerical, and the Senate recedes.

Amendment numbered 27: This amendment provided for limiting to \$5,000,000,000 the aggregate amount of bonds, notes, or other obligations of the United States or which are fully guaranteed by the United States as to principal and interest, which Federal Reserve banks may buy and sell without regard to maturities. The Senate recedes with an amendment which rewrites the proviso of subsection (b) of section 14 of the Federal Reserve Act making it clear that direct purchases from the Treasury are to be subject to the usual rules governing purchases in the open market and that the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the 12 Federal Reserve banks shall not exceed \$5,000,000,000.

Amendment numbered 28: This amendment restored title V of the bill, relating to the waiver of navigation and inspection laws, to the form in which it was reported by the Senate Committee on the Judiciary to the Senate. On February 28, 1942, the President issued an Executive order transferring the authority vested in the Secretary of Commerce to waive compliance with the navigation and vessel inspection laws, to the Secretary of the Navy and the Secretary of the Treasury. It was therefore desirable to change the House amendment and make the language flexible so that the "head of each department or agency responsible for the administration of the navigation and vessel inspection laws" will be authorized to make the waiver. The Senate recedes with amendments effecting this change.

Amendment numbered 29: This amendment was made on the floor of the House and proposed that whenever machinery or equipment in actual use, and necessary to the operation of a factory or business is requisitioned, the owner be paid fair and just compensation which shall not be less than the difference between the fair market value of such factory or business before and after the taking of such equipment or machinery. The conferees agreed to an amendment in lieu of the House amendment which would rewrite the second sentence of the first paragraph of section 1 of the Requisition Law (act of October 16, 1941) to make it clear that the determination as to the amount to be paid for property requisitioned or returned shall be in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States.

Amendment numbered 30: This amendment is a clerical correction. The Senate recedes.

Amendment numbered 31: This amendment was made on the floor of the House and has the effect of exempting members of Selective Service and training boards from certain prohibitions of the Hatch Act. The Senate recedes with an amendment to strike out the additional word "or" to clarify the language.



Amendments numbered 33, 34, 35, and 36: These amendments clarified the language of title IX to make it clear that protection may be afforded against hazards other than forest fires. The Senate recedes.

Amendment numbered 37: This amendment struck out title XI of the bill providing for the naturalization of aliens honorably serving in the armed forces of the United States during the present war. The conferees have restored the title with several amendments. The amendments require that the alien shall have been lawfully admitted to the United States, including its Territories and possessions, and a resident thereof at the time of his enlistment or induction; and provision is made that the revocation of citizenship of a person subsequently dishonorably discharged is a ground for revocation in addition to any other provided by law. As the alien is required to have been lawfully admitted, the language is stricken out which would have relieved the necessity of furnishing a certificate of arrival. Clerical amendments also have been made.

Amendments numbered 38, 39 and 40: These amendments are clerical changes. The Senate recedes.

Amendment numbered 41: This amendment eliminated a restriction of the Senate bill which would have limited the addition of other metals to 10 percent of the proposed new 5-cent piece of silver and copper. The restriction was eliminated in order not to limit the possibility of devising an all-purpose 5-cent piece. The Senate recedes.

Amendment numbered 42: This amendment merely added "records" to the authorization for inspection and audit of war contractors' books and plants. The Senate recedes.

Amendment numbered 43: This amendment was made on the floor of the House and provided that the inspection and audit of war contractors and the determination whether a given contract is a "defense contract" should be made by a governmental agency or officer designated by the President or by the Chairman of the War Production Board instead of by the agency placing such contract or order or the contract or order under which such subcontract was placed, or by the Chairman of the War Production Board. The Senate recedes.

Amendment numbered 44: This amendment did two things: First, it inserted in title XIV specific provisions with respect to administering oaths, requiring the attendance and testimony of witnesses, and other related matters, in lieu of the provisions of the Senate bill which made the provisions of sections 9 and 10 of the Federal Trade Commission Act applicable by reference. Second, it added a new title XV to the bill, granting to the Secretary of Commerce authority to make special investigations and reports, subject to the direction of the President, needed in connection with the conduct of the war. The Senate recedes with amendments which (1) make clear that the Secretary of Commerce is to make the special investigations and reports, and dispense with or curtail regular census or statistical work, when directed by the President, and subject to regulations issued by the President, and (2) define the term "person" and use such term in appropriate places in the title; (3) make clear that the regulations of the President issued under section 1502 shall apply both to the making of information available by the Secretary of Commerce and to the use of such information after it has been made available; (4) provide that

records and other information are to be made available only on written request; and (5) provide that only knowing and willful violations of the President's regulations will be subject to punishment.

Amendments numbered 48 and 49: The bill makes numerous amendments to existing law which are intended to be effective only during the period specified in the last title of the bill. Amendments numbered 48 and 49 were intended to make this purpose more clear. The Senate recedes.

The committee of conference have not agreed on the following amendment of substance:

Amendment numbered 32, which struck out title VIII of the Senate bill, relating to compensation for certain civilian defense workers.

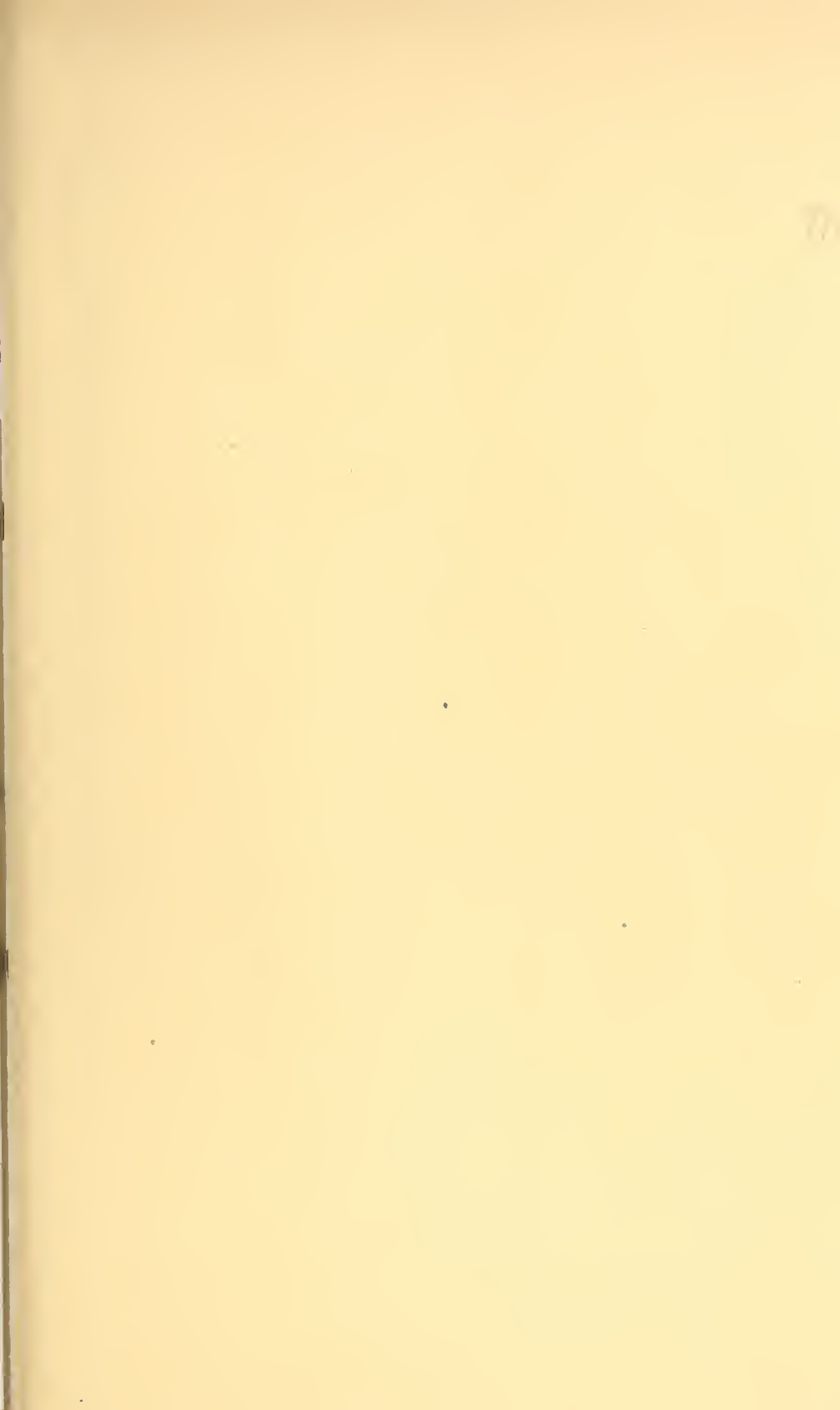
The committee of conference have not agreed on the following amendments, relating solely to title and section numbers and cross-references, because the proper numbering cannot be determined until an agreement is reached with respect to amendment numbered 32:

Amendments numbered 45, 46, 47, and 50.

HATTON W. SUMNERS,  
CHARLES F. McLAUGHLIN,  
CLARENCE E. HANCOCK,  
*Managers on the part of the House.*











legislation and urging suspension of the 40-hour week during the emergency. This morning that number has increased, and the tide is still rising. I have received more than 13,000 of these letters. I know we are not supposed to work on Sundays, but the Bible says that if your ox gets in the ditch, get him out. I hired 13 girls yesterday out of my own pocket in order to answer those letters. I will say that not only did my ox get in the ditch but my ox, cart, and all got in the mudhole, and I have tried to get them out. I tell you that the rest of you are going to receive literally thousands of such letters in the next few days.

[Here the gavel fell.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day, and following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I feel a good deal like Rip Van Winkle must have felt when he came out of his 20 years' sleep. Back in 1937 I suggested to the House and subsequently introduced bills that would have made it possible for a man to work without buying a license to work or without paying any money for the privilege of working.

I never got anywhere with those bills and never heard much about them on the floor, but from the sounds of walling heard in the House this morning, it is evident that while I have been dreaming here for the last 5 years, of good legislation to come the people from back home have been getting under the skins of their Representatives and somebody is in trouble over this lack of a sound labor policy, and I really hope that everybody begins to get a few letters and that at last we get action. I have many from the C. I. O. and from Communists. Now we are all hearing from the people to whom we must answer.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I have heard a great deal about labor racketeers from the gentleman from Oklahoma and others, but it is strange no one has mentioned the large industrial racketeers and chisellers who are making many millions, as indicated from their financial reports. These poor millionaires seem to have the sympathy of many Members. Personally, I have no use and hold no brief for

labor chisellers or racketeers, nor have I any use for these avaricious multimillion-dollar corporations who have hundreds of millions of dollars in contracts, who refuse to go on a 24-hour-work-day basis or fail to work overtime for fear their large profits will be reduced.

In this connection I wish to insert a letter addressed to me on March 12, which reflects conditions existing not only in the plant of the International Harvester Co. but in the plants of the General Electric Co., the Bethlehem Steel Co., the Winchester Repeater Arms Co., and many others:

#### UNITED FARM EQUIPMENT

#### WORKERS OF AMERICA,

Chicago, Ill., March 12, 1942.

Representative A. J. SABATH,

House Office Building, Washington, D. C.

DEAR SIR: Our organization, which is composed of workers from the tractor plant, International Harvester Co., Chicago, Ill., which employs approximately 5,300 men, is in full agreement with Mr. Nelson's program as enunciated in his March 2 radio address for joint committees of management and labor.

The situation in the tractor plant has become very acute. Approximately 1½ weeks ago a curtailment order came through in regard to the crawler-type tractors that we have been building. The result of the order was the men in those departments have been staying home for that length of time. But this is not the worst of the picture. Today another curtailment order came through in regard to the Farmall "A" and "B" tractors, built in our plant, which will affect about a thousand men.

Is this the company's answer to the President's request for no interruption in the production program?

We think this plant is capable of handling most any kind of work essential to winning the war. We are ready and willing to work 24 hours a day, 7 days a week—anything—to defeat Hitlerism.

We call upon you to do all you can to alleviate this situation, which will grow worse if war work is not obtained, and "business as usual" continues.

Respectfully yours,

UNITED FARM EQUIPMENT WORKERS

OF AMERICA, LOCAL No. 101,

ARTHUR PETERSON,

Recording Secretary.

Here are men willing to work, at any time of the day, but for some unknown reason many machines and toilers are kept idle.

I feel that if these industrial czars and the few labor leaders who are responsible for a few strikes, do not cooperate at this time, they may regret their indifference to the country's needs.

I have received letters from many employees in many plants complaining that they are being laid off and are not permitted to work longer hours, but that does not seem to interest the labor baiters and those who are principally interested in bringing about the destruction of organized labor who, I repeat, are cooperating and wholeheartedly supporting the Government, in full realization of the dangerous conditions.

The country today is really in a threatened, desperate situation and it will require the complete cooperation of all, to produce more planes, more tanks, and more munitions. Although I have the utmost confidence that we will win the war that has been thrust upon us, I feel

that if there is not complete solidarity, united action, and 100 percent cooperation on the part of industry and labor, the ultimate victory will be delayed for 2 or 3 years. Our boys on our ships, in the air, and in the trenches plead for more planes, for more tanks, and munitions, and it is our duty to supply them. I hope that we will go ahead at full speed in the realization that we are not only protecting our courageous fighters, but our Nation and our liberty as well.

(Mr. SABATH asked and was given permission to revise and extend his own remarks in the RECORD.)

(Mr. PATRICK asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made a few moments ago and to include therein excerpts from several communications I have received.

The SPEAKER. The Chair thinks that something ought to be done about this matter now. There is not a Member of the House who is not receiving literally hundreds of telegrams and letters with reference to this so-called labor situation. If we begin putting these letters and these telegrams in the RECORD, the RECORD will be bigger than the Revised Statutes each day. The Chair would suggest to Members that they do not ask consent to put these letters in the RECORD, or excerpts from them.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have no thought of putting any letter or any telegram in the RECORD, but I did think that a few excerpts from letters giving a general idea of how the people of the district I have the honor to represent think would be appropriate at this time.

The SPEAKER. The Chair would think that if the Members would read their own mail they would know what the people generally are thinking. If no one else objects, of course, the Chair is not going to object.

Mr. YOUNG. Mr. Speaker, reserving the right to object to this request, after all the test is whether legislation is right or wrong, not the pressure that is brought on us, and I do object to this request.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, not with my own remarks, but under my name, the purported newspaper story in yesterday's Washington Post by the Vice President, with respect to his intent or purpose to extend the New Deal to the four corners of the earth.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

#### SECOND WAR POWERS BILL

Mr. SUMNERS of Texas. Mr. Speaker, I call up conference report on the bill (S. 2208) to further expedite the prosecution of the war, and ask unanimous consent that the statement may be read in lieu of the report.



The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 12, 1942.)

Mr. SUMNERS of Texas. Mr. Speaker, may I submit a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. SUMNERS of Texas. Amendment No. 32 is highly controversial. I understand it is my duty to move that the House further insist upon this amendment. May I ask unanimous consent that the consideration of that amendment be postponed for the moment?

The SPEAKER. The Chair suggests to the gentleman from Texas that the first thing to do is to adopt the conference report, leaving out, of course, those matters that are in disagreement.

Mr. SUMNERS of Texas. Then, Mr. Speaker, I make that motion at this time.

Mr. PATMAN. Mr. Speaker, if the gentleman will permit, one part of this conference report is very controversial. There is a misunderstanding about one amendment to which I think some consideration should be given, by the conferees at the present time. I know that it was a case of misunderstanding between the parties. When this bill passed the House, several of us expected to ask for a separate vote on title IV, on the so-called Smith amendment, knowing that the House would very quickly strike it out, and that it would not even be in conference. We were told and allowed to believe that it would be stricken out in conference, and that there would be no use in asking for a separate vote, but that we should let it go to conference, and that it would be stricken out. The misunderstanding came about, I think, by reason of the \$5,000,000,000. We were not as much concerned about the language in respect to it as about the amount. In view of that honest misunderstanding, I hope that the chairman of the committee will give us opportunity to vote on that amendment separately, even if it is necessary to take it back to conference to do so.

The SPEAKER. The parliamentary situation is this: Insofar as the amendments in disagreement are concerned, the conference report must first be voted up or down. The gentleman from Texas has moved that the conference report be adopted.

Mr. PATMAN. Then I ask for recognition in opposition to it.

The SPEAKER. The gentleman from Texas has the floor, and he may yield to the gentleman.

Mr. PATMAN. I hope the gentleman will yield to me.

Mr. SUMNERS of Texas. Mr. Speaker, let me inquire in regard to the time. How much time is allowed for the entire disposition of the conference report, including amendment No. 32?

The SPEAKER. The gentleman is entitled to 1 hour on the conference report. He can yield such time as he desires. Then, if he desires, an hour may be taken on each amendment in disagreement.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

#### GOVERNMENT BOND RACKET

Mr. PATMAN. Mr. Speaker, up until 1935 the Federal Reserve banks could purchase securities directly from the Treasury of the United States. That was as it should have been, because our Government, through Congress, has given the Federal Reserve banks the power to issue money on the credit of this Nation. The Federal Reserve banks have the right to call upon the Bureau of Engraving and Printing to print for them all the money that they want, and the Treasury had the right to exchange Government securities for that money. The Treasury itself could not issue the money. But in 1935, in another body, what appeared to be a very innocent amendment was placed in an act which it had no relation to at all. That amendment provided that hereafter the Treasury could not sell bonds to the Federal Reserve banks directly and save the brokerage commission, the service fees, which are enormous in these transactions involving hundreds of millions and even billions of dollars, and provided that the Federal Reserve banks could only buy those bonds by going into the open market and buying them with the Government-created money. That made a pure, simple racket out of it.

We have heard on the floor of this House where farmers are being charged so much a truck to carry their produce into the city of New York and other cities. This is exactly the same principle involved. We are permitting the big banks of this country to control our credit to the extent that the Government itself must pay a brokerage, a service fee, upon its own money that it creates itself.

Now, is that right? Is that fair? Is that just? Absolutely not. It is wrong in principle and cannot be defended any place in this world.

When this war-powers bill was before the House it provided in title IV that hereafter the Treasury could, as they had done before 1935, deliver to the Federal Reserve banks Government securities and get credit for them. In other words, exchange an interest-bearing obligation for a noninterest-bearing obligation. The Government created both of them, and both of them created upon the credit of the people of this Nation. They are both a lien and an obligation against the earnings of all the people and the productive capacity of this country. They are exactly the same.

So when the bill came in the House the gentleman from Virginia [Mr. SMITH] offered an amendment to restrict it to where the aggregate amount that may be bought shall be \$5,000,000,000. I was not concerned about the language. I was concerned about any limitation of any kind whatsoever.

Mr. McLAUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McLAUGHLIN. The gentleman states that he was not concerned about the language. The fact is, however, that the language made a very material difference in the amendment.

Mr. PATMAN. That is very true.

Mr. McLAUGHLIN. In other words, the Smith amendment provided that the aggregate of Government obligations which might be purchased from the Treasury would be \$5,000,000,000.

Mr. PATMAN. Yes.

Mr. McLAUGHLIN. That is, as amended by the Dewey amendment.

Mr. PATMAN. Yes.

Mr. McLAUGHLIN. But it made no distinction between purchases in the open market and purchases direct from the Treasury.

Mr. PATMAN. I thoroughly agree with the gentleman.

Mr. McLAUGHLIN. Now you say you have no interest in the language. The language carried out that very intention.

Mr. PATMAN. The language was not the determining factor with me. The determining factor with me was a limitation of any kind whatsoever.

Mr. McLAUGHLIN. But the sense which the language conveyed is what I am addressing myself to now, and what we have before us today is a distinctly different thing than the thing upon which we voted when we passed upon the Smith amendment.

Mr. PATMAN. A difference in qualifying phrases only. That \$5,000,000,000 limitation is still in here.

Mr. McLAUGHLIN. But my friend will recognize that if the Smith amendment had been passed the \$5,000,000,000 limitation would have applied to purchases on the open market, whereas under the provision which we have before us today there is no limit on the purchases on the open market. The only limitation is as to purchases direct from the Treasury. The provision under discussion would create a revolving fund. In other words, as the obligations move out of the Treasury they can be replaced by other obligations, provided the high level does not exceed \$5,000,000,000. There is a vast distinction between the two proposals.

Mr. PATMAN. That is very true, but it makes it very vulnerable for the gentleman to present it to us in that way. In other words, we say to the banks of this country, "It is all right for the Federal Reserve banks to go into the open market and buy all the bonds they want to. It is unlimited." The gentleman is right about that. But where it comes from the Treasury to the Federal Reserve it is limited to \$5,000,000,000. If it is fair to have one unlimited, why is it not fair to have the other unlimited? I agree with the gentleman that the language as written is much better than the Smith amendment, but the Smith amendment language is not what I was concerned about so much as I was the \$5,000,000,000 limitation or any limitation of any kind.

#### HIGH INTEREST AMENDMENT

May I suggest to you that this will probably be called a high-interest amendment. That is what it means. It means high interest on Government bonds. There are a number of people in this House who would like to have our Government compelled to pay at least 4-per-cent interest on Government obligations



instead of 2½ percent. This is the greatest step in the direction of 4-percent interest that has been taken since this emergency started.

I want to read the report that was filed by the gentleman from New York [Mr. REED], a prominent Republican Member of the House on this bill. It commences on page 19 of the hearing. I want to read one excerpt from it:

While the New Deal has been able to finance its spending at low interest rates and without apparent difficulties to date, such excessively low interest rates—

And I hope the chairman of the committee will listen to this—

such excessively low interest rates are not a sign of financial stability but the sign of economic ill health.

This report was submitted by the Republican conference committee on national debt policy, of which the gentleman from New York [Mr. REED] was a member.

In other words, the Republican members of the Judiciary Committee gave the House and the country notice that what we want is higher interest rates; that they are opposed to the Government getting its money for 2½ percent. They want the Government to pay more than 2½ percent. Two and one-half percent interest in economic ill health, they say, and they want higher interest rates. So they are getting it in this particular limitation.

I can see how those who want higher interest rates would want a limitation of this kind, but I cannot see how anyone who is in favor of the present policy of the Government financing its debt burden at the cheapest possible rate, can afford to vote for any such limitation as this, or any other limitation.

It is absolutely wrong and should not be permitted to stand. I know that we are at a great disadvantage. I know this was an honest misunderstanding, but in view of the fact that both sides know it was a misunderstanding and that those of us who felt this matter keenly relied upon what we believed to be the understanding that this would be stricken out and that we had to give up a valuable right, we sat there and did not ask for a division, we did not ask for a separate vote. I believe the members of this committee would tell us now it would have been stricken out if we had asked for a separate vote; but, counting on the honest belief that it would be stricken out in conference, we gave up that valuable right.

I know what the gentleman from Texas [Mr. SUMNERS] and the gentleman from Nebraska [Mr. McLAUGHLIN] thought: They thought we were concerned about the language, but they were honestly mistaken. Since there was an honest mistake, I hope the committee will see fit to take it back and correct it. The Senate does not want this language, why should the House insist upon it? They did not have it in here. It was the House that put in that qualifying language, and I hope the committee will concede that point and voluntarily take it back to conference.

I will briefly summarize points that I believe should be given consideration:

First. The 12 Federal Reserve banks that are privately owned create the money on the Government's credit. They have tons of money printed at the Bureau of Engraving and Printing and pay on an average of 30 cents per thousand for it. Each piece of paper money is the same as a Government bond, except it provides for no interest. Each piece of paper money is a separate obligation of the United States Government and not an obligation of the Federal Reserve bank issuing it; it provides on its face:

The United States of America promises to pay on demand — dollars.

Nowhere on the paper money does the Federal Reserve bank issuing it promise to pay it. It is purely and simply a Government obligation, just like a Government bond, except no interest.

Second. A Federal Reserve bank obtains a million dollars' worth of this paper money and buys a million dollars' worth of bonds that are being sold in the open market. The Federal Reserve bank gives a million dollars in currency, for which it paid 30 cents per thousand dollars, in exchange for the million dollars' worth of Government bonds, which provide an interest rate. The Federal Reserve bank then keeps the bonds, and, if they provide for 3-percent annual interest, each year the bank will collect \$30,000, having exchanged a Government non-interest-bearing obligation for a Government interest-bearing obligation.

Third. The Committee on the Judiciary says that it is all right for the 12 Federal Reserve banks to buy all of the bonds they want to in that way through the open market. It would be possible for them to buy \$240,000,000 worth that way, and the Committee on the Judiciary offers no criticism whatever on this policy.

Fourth. The committee says, however, that the 12 Federal Reserve banks should not be permitted to buy bonds directly from the Treasury, except to the amount of \$5,000,000,000. In other words, after these 12 banks have purchased and accumulated \$5,000,000,000 worth of Government bonds, they cannot buy another bond direct from the Treasury. After that they will have to go into the open market and buy bonds and pay the extra premiums, service fees, brokerage fees, commissions, and so forth.

Fifth. If it is a sound business transaction for the Federal Reserve banks to buy an unlimited amount of bonds in the open market, why would it not be just as sound a transaction for the same Federal Reserve banks to buy the same bonds directly from the Treasury and save the enhanced value of the bonds, extra interest, extra service charges, extra commissions, and so forth?

Sixth. The limitation gives the few big banks of the country a tight grip upon the financial throat of the American people. It will place these few big banks in a position to whip up interest rates, have great influence on Government finances through this cornering-of-the-market ability given to them by this

amendment, will result in higher interest rates to the Government and move a large part of the financial capital back from Washington to Wall Street.

Seventh. It must not be overlooked that the 12 Federal Reserve banks create the money on the Government's credit and furnish nothing themselves to back it, which is used to buy these interest-bearing bonds.

Eighth. Congress should at the earliest possible date compel the Treasury to finance the Government's deficit that cannot be taken care of by the sale of bonds to the public by depositing non-interest-bearing bonds with the 12 Federal Reserve banks and receiving credit therefor. In this way, the Government would not have to pay interest and a 3-percent payment each year on the principal would entirely liquidate the debt in 33½ years. It is true that the debt will still have to be paid just the same, but the people, the taxpayers, and the Government will not be compelled to pay tribute to any person or corporation for creating money upon the Government's own credit to finance the cost of the war.

Ninth. The Government has title to more than \$22,000,000,000 in gold. The 12 Federal Reserve banks are now receiving the free use of this gold. It could be used through the Federal Reserve System to finance the war without placing the people in perpetual bondage.

Tenth. The effect of the Judiciary Committee amendment placing a limitation of \$5,000,000,000 on the amount of securities that the 12 Federal Reserve banks can own at one time by reason of purchase directly from the Treasury causes the Government to be placed in this position: Let us say that out of the \$125,000,000,000 national debt, which we will soon have, that it is necessary over a comparatively short time to refinance \$10,000,000,000 of it and the Federal Reserve banks buy their \$5,000,000,000, all that they can buy from the Treasury. Then the other \$5,000,000,000 will be sold to commercial banks, who buy them and immediately sell them back to the 12 Federal Reserve banks at a good premium.

Eleventh. When the Pearl Harbor incident occurred December 7, 1941, the Treasury had outstanding an offer to sell \$150,000,000 in bonds the next day, December 8. The Treasury could not sell them directly to the Federal Reserve banks, so the Treasury and the Federal Reserve officials, thinking possibly the Pearl Harbor disaster might affect and particularly weaken the market for Government bonds to the extent that they might not be sold the next morning, got in touch with a few big bankers and told them to go ahead and buy the bonds; that the Federal Reserve would guarantee to take them off their hands promptly at a premium of \$1.30 per hundred dollars without them putting up a penny. This was equal to about \$2,000,000 on the issue that the Government would have to pay at the rate of \$1.30 a hundred. This round-about way was fixed by the limitation of the Federal Reserve Act. Now this limitation should be



completely removed and the \$5,000,000,-000 amendment should be rejected.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. DEWEY].

Mr. DEWEY. Mr. Speaker, I listened to the gentleman from Texas with a great deal of interest, but I would like to refer him to the traditional relations between central banks of issues and treasury departments, which are a matter of history.

I have here a factual statement prepared for me at my request by the Federal Reserve Bank of New York in regard to the British Treasury borrowings from the Bank of England. I would like to ask the House to listen to a pertinent paragraph of this statement. Later I will ask unanimous consent to have the whole statement placed in the Appendix of the RECORD. I read:

LEGAL BASIS FOR TREASURY BORROWING FROM THE  
BANK OF ENGLAND

The Bank of England is almost unique among central banks in that it is subject to virtually no legal restrictions of any sort. The deputy governor of the bank, for example, in his testimony before the Macmillan committee in 1930, stated that the only legal restrictions upon the bank's operations related to its note issue, its form of weekly statement, the prohibition of bank dealings in merchandise or other wares, and its ability to lend to the Government. No elaboration was made by him concerning this latter restriction; however he apparently had in mind the original restriction in the act of 1694, noted above, and the restatement and amplification of that restriction in the act of 1819. In that act, which still regulates the bank's power to make advances to the Government, the bank was prohibited from advancing or lending any sum whatever to the Government upon the credit of any Government bills or securities, or in any other manner, without the express authorization of Parliament. The act also provided that, whenever the Treasury wished to borrow from the bank, copies of the application for such advances, as well as the bank's answer, must be laid before Parliament. In accord with this provision correspondence between the Government and the bank relating to ways and means advances is laid before Parliament annually. These advances are annually authorized in the annual appropriation acts which always contain a clause authorizing the Bank of England to lend any sums not exceeding those mentioned in the act, the moneys so borrowed to be repaid with interest, not exceeding 5 percent per annum, not later than the next succeeding quarter to that in which the said moneys were borrowed.

I make this statement merely to prove that the Bank of England, formed in 1694, has followed this procedure and has set a limit each year as to the amount of money the Treasury may borrow from the Bank of England or the bonds or securities that the Bank of England may purchase from the Treasury.

[Here the gavel fell.]

Mr. DEWEY. Mr. Speaker, I ask unanimous consent to incorporate in the Appendix the statement to which I referred in my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, let me see if I can explain this situation from the standpoint of the conferees of the House whose report is before you. It will be recalled that the Committee of the Whole House on the state of the Union adopted the Smith amendment. The Smith amendment puts a limitation on the Federal Reserve banks of \$5,000,000,000 on transactions in Federal securities throughout all the future, both open market and those directly with the Treasury. It was understood generally that there was some confusion about that amendment and how it came to be in the bill. I believe it was the statement made by members of the Committee on the Judiciary and by the prospective conferees on the part of the House that such a limitation upon the transactions of the Federal Reserve banks would not be agreed to, in fact the Smith amendment would go out.

As stated by the gentleman from Texas [Mr. PATMAN], there seems to have arisen some confusion because of their attitude as to just what position the Members of the House conferees would take when they got to conference. It is to be regretted of course that this misunderstanding has developed. Here is what was done, and this is why it was done. It will be recalled by Members of the House that since 1935 there has been no authority for the Federal Reserve banks to buy directly from the Treasury. Now, let us follow this along.

After the Pearl Harbor occurrence it was found that a difficult condition had to be dealt with. There was a billion and a half of Federal securities coming on the market at about that time. The market was in no condition to stand the weight of another billion and a half of Federal bonds. An indirect arrangement was made under which the Federal Reserve banks in effect bought indirectly from the Treasury. That was not a good way to do it. Hence the request for authority to make direct purchases from the Treasury. A Federal Reserve bank representative and an advised representative of the Treasury, while preferring no limitation, told the conferees on the part of the House that insofar as they could visualize the future the \$5,000,000,000 reservoir of securities that might be bought directly from the Treasury would meet all that they could see in the future, or all that they could anticipate in the future.

This \$5,000,000,000 reservoir for direct purchases has nothing to do with the total amount of Government securities purchased in the open market which may be held by the Federal banks at one time. At the moment the Treasury has not one bond, not one dollar's worth of Federal securities that has been bought directly from the Treasury. With this \$5,000,000,000 provision in the law, the Federal Reserve bank would have the right and power to absorb that limit of Federal securities purchased directly from the Treasury at this time, sell and purchase more from the Treasury; in other words keep this \$5,000,000,000 reserve full, and in addition purchase without limit in the open market. I do not profess to be an expert on these things and I do not be-

lieve my brother conferees would make that claim for themselves.

Mr. PATMAN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Texas.

Mr. PATMAN. I concede that the amendment is much better than when it left the House, there is no question on earth about that, but the gentleman states it is all right for the Treasury to sell all the bonds it wants to the open market and the banks, then for the Federal Reserve banks to buy them back in unlimited quantities, thereby compelling the Government to pay a brokerage and service fee that runs into the millions of dollars per issue. If it is right and fair to have it unlimited and the Government is forced to pay a brokerage fee and service fee, why not let them sell directly to the Treasury unlimited? If we have it unlimited in one case, why restrict it in the other? Does it not appear to the gentleman like it is hog-tying the Government to where it will be compelled to pay a brokerage and service fee for the Government's money?

Mr. SUMNERS of Texas. I neither endorse nor condemn the brokerage-fee proposition. In fact, I do not know much about it. I understand it is about one-thirty-sixth of 1 percent.

Mr. PATMAN. But it ran into \$2,000,-000 on the Pearl Harbor issue.

Mr. SUMNERS of Texas. All right. Under this conference report the banks could have bought that entire issue directly from the Treasury and had left over three and one-half billion unexpended authority to make direct purchases from the Treasury. We are dealing here in this report with 12, 13, or maybe 14 different items which have to do more or less with the immediate needs of the Government in conducting this war. This is important to have in mind. This committee, not professing to be experts in regard to these matters, of permanent monetary policy sought to procure legislation which would certainly take care of any emergency needs of the Government in the conduct of the war. These matters of permanent policy must be dealt with by committees to whose jurisdiction they belong.

We were not attempting to set up a permanent system with regard to transactions in the securities of the Government. We were attempting to make provision by which, if there should be a repetition of a similar thing to that which happened at Pearl Harbor, the Federal Government could clearly protect its credit. That is what we tried to do. We were not trying to compel the things which my distinguished friend from Texas is tremendously concerned about. Insofar as the testimony which we had is concerned, we have done that very thing. It is within the province now and probably within the responsibility of the Banking and Currency Committee to bring before the House a suggested permanent policy with regard to these transactions in Federal securities.

I assume that my friend from Texas, who has studied these matters a long time, has a notion that there ought not to be any transactions in the open



market by the Federal Reserve banks. That may be sound as a matter of fixed policy insofar as I know.

Mr. PATMAN. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Texas.

Mr. PATMAN. No. I say there should be open-market transactions under certain conditions, but you should not compel the Government to go into the open market.

Mr. SUMNERS of Texas. Well, all right. That is a matter dealing with the permanent policy of the Government, that is something that this committee did not attempt to go into in bringing in these many items, each of which could have been a separate bill. They could have gone to separate committees. That is something we were not qualified to deal with and something we did not attempt to deal with.

Mr. MAY. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield to the gentleman from Kentucky.

Mr. MAY. As a matter of fact, there are about a dozen different things or more that are regarded as emergency needs of the different defense organizations, the Army and Navy in particular?

Mr. SUMNERS of Texas. The gentleman is correct.

Mr. MAY. Included in which is the right to condemn the use of land as well as the fee simple title?

Mr. SUMNERS of Texas. I say to the gentleman that there are many things, and an examination of the bill shows them. Where the gentleman from Texas, for whom I have great respect, is in confusion with reference to this bill is as between meeting an emergency need of the Government and establishing what he considers to be a sound public fiscal policy with regard to Federal securities.

[Here the gavel fell.]

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield myself 1 additional minute, Mr. Speaker, and yield to the gentleman from New York.

Mr. COLE of New York. May I ask the gentleman with regard to the title that was in the bill and which was stricken by the House with relation to granting citizenship to soldiers in uniform?

Mr. SUMNERS of Texas. We will come to that later.

Mr. COLE of New York. Is that in this bill?

Mr. SUMNERS of Texas. Yes; much. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. MOSER. Mr. Speaker, I am opposed to this conference report and am constrained to make a point of no quorum.

The SPEAKER. Does the gentleman object to the vote on the ground that a quorum is not present?

Mr. MOSER. I do, Mr. Speaker.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 315, nays 22, not voting 94, as follows:

[Roll No. 41]

YEAS—315

|                  |                 |                |
|------------------|-----------------|----------------|
| Allen, Ill.      | Elliot, Mass.   | Leavy          |
| Allen, La.       | Elliot, Calif.  | LeCompte       |
| Andersen,        | Ellis           | Lesinski       |
| H. Carl          | Elston          | Ludlow         |
| Anderson, Calif. | Engel           | Lynch          |
| Anderson,        | Fellows         | McGehee        |
| N. Mex.          | Fenton          | McGregor       |
| Andresen,        | Fish            | McIntyre       |
| August H.        | Flaherty        | McLaughlin     |
| Andrews          | Flannagan       | McLean         |
| Angell           | Folger          | McMillan       |
| Arends           | Forand          | Maas           |
| Arnold           | Ford, Leland M. | Maclejewski    |
| Barnes           | Ford, Miss.     | Maciora        |
| Bates, Ky.       | Fulmer          | Mahon          |
| Bates, Mass.     | Gamble          | Manasco        |
| Baumhart         | Gathings        | Mansfield      |
| Beam             | Gearhart        | Martin, Iowa   |
| Beckworth        | Gehrmann        | Martin, Mass.  |
| Bell             | Gibson          | Mason          |
| Bender           | Gifford         | May            |
| Bennett          | Gilchrist       | Meyer, Md.     |
| Blackney         | Gille           | Michener       |
| Bland            | Gore            | Mills, Ark.    |
| Boehne           | Gossett         | Mills, La.     |
| Boggs            | Graham          | Monroney       |
| Bolton           | Granger         | Mott           |
| Boren            | Grant, Ala.     | Mundt          |
| Bradley, Mich.   | Green           | Murray         |
| Brooks           | Gregory         | Nelson         |
| Brown, Ga.       | Guyer           | Nichols        |
| Brown, Ohio      | Gwynne          | Norrell        |
| Bryson           | Haines          | Norton         |
| Buck             | Hall            | O'Brien, Mich. |
| Bulwinkle        | Edwin Arthur    | O'Brien, N. Y. |
| Burch            | Hall            | O'Hara         |
| Burgin           | Leonard W.      | O'Leary        |
| Butler           | Halleck         | O'Neal         |
| Byrne            | Hancock         | Paddock        |
| Camp             | Hare            | Patrick        |
| Canfield         | Harness         | Patton         |
| Cannon, Mo.      | Harrington      | Pearson        |
| Carlson          | Harris, Ark.    | Peterson, Fla. |
| Carter           | Harris, Va.     | Peterson, Ga.  |
| Cartwright       | Hart            | Pfeiffer,      |
| Case, S. Dak.    | Harter          | William T.     |
| Chapman          | Hartley         | Pittenger      |
| Chenoweth        | Hébert          | Plauché        |
| Chiperfield      | Heidinger       | Ploeser        |
| Clason           | Hendricks       | Plumley        |
| Claypool         | Hess            | Poage          |
| Cluett           | Hill, Colo.     | Powers         |
| Cochran          | Hinshaw         | Priest         |
| Coffee, Nebr.    | Hobbs           | Rabaut         |
| Coffee, Wash.    | Hoffman         | Ramsay         |
| Cole, N. Y.      | Holbrook        | Ramspeck       |
| Collins          | Holmes          | Randolph       |
| Colmer           | Hope            | Rankin, Mont.  |
| Cooley           | Houston         | Reece, Tenn.   |
| Cooper           | Hull            | Reed, Ill.     |
| Copeland         | Hunter          | Reed, N. Y.    |
| Costello         | Imhoff          | Rees, Kans.    |
| Courtney         | Jackson         | Richards       |
| Cox              | Jacobsen        | Rizley         |
| Cravens          | Jenkins, Ohio   | Robertson,     |
| Crawford         | Jennings        | N. Dak.        |
| Crosser          | Jensen          | Robertson, Va. |
| Crowther         | Johns           | Robinson, Utah |
| Culkin           | Johnson, Calif. | Robson, Ky.    |
| Cunningham       | Johnson, Ill.   | Rockefeller    |
| Curtis           | Johnson, Ind.   | Rockwell       |
| D'Alesandro      | Johnson,        | Rodgers, Pa.   |
| Davis, Ohio      | Luther A.       | Rogers, Mass.  |
| Davis, Tenn.     | Johnson, Okla.  | Rogers, Okla.  |
| Day              | Johnson, W. Va. | Rolph          |
| Dewey            | Kean            | Russell        |
| Dingell          | Keefe           | Sabath         |
| Dirksen          | Kefauver        | Sanders        |
| Disney           | Kelly, Ill.     | Sasser         |
| Domengeaux       | Kennedy,        | Satterfield    |
| Dondero          | Martin J.       | Sauthoff       |
| Doughton         | Kerr            | Schuetz        |
| Downs            | Kilday          | Schulte        |
| Drewry           | Kinzer          | Secrest        |
| Duncan           | Knutson         | Shafer, Mich.  |
| Durham           | Kunkel          | Shanley        |
| Dworschak        | Landis          | Sheppard       |
| Eaton            | Lanham          | Sikes          |
| Edmiston         | Lea             | Simpson        |

|                |              |                  |
|----------------|--------------|------------------|
| Smith, Maine   | Tenerowicz   | Wene             |
| Smith, Ohio    | Terry        | West             |
| Smith, Va.     | Thom         | Wheat            |
| Smith, Wash.   | Thomas, Tex. | Wheelchel        |
| Smith, W. Va.  | Thomason     | Whitten          |
| Smith, Wis.    | Tibbott      | Whittington      |
| Snyder         | Tinkham      | Wickersham       |
| South          | Traynor      | Wigglesworth     |
| Sparkman       | Treadway     | Williams         |
| Spence         | Van Zandt    | Wilson           |
| Springer       | Vincent, Ky. | Winter           |
| Steagall       | Vinson, Ga.  | Wolcott          |
| Stearns, N. H. | Vorys, Ohio  | Wolfenden, Pa.   |
| Stefan         | Wadsworth    | Wolverton, N. J. |
| Stevenson      | Ward         | Woodrum, Va.     |
| Sullivan       | Wasielewski  | Wright           |
| Sumners, Tex.  | Weaver       | Young            |
| Sutphin        | Weiss        | Youngdahl        |
| Talle          | Weich        | Zimmerman        |

NAYS—22

|                 |            |                 |
|-----------------|------------|-----------------|
| Burdick         | Jonkman    | Rankin, Miss.   |
| Faddis          | Lambertson | Rich            |
| Fitzgerald      | Moser      | Starnes, Ala.   |
| Ford, Thomas F. | O'Connor   | Tarver          |
| Hill, Wash.     | Oliver     | Voorhis, Calif. |
| Hook            | Pace       | Woodruff, Mich. |
| Izac            | Patman     |                 |
| Jones           | Pierce     |                 |

NOT VOTING—94

|                |              |                |
|----------------|--------------|----------------|
| Baldwin        | Gerlach      | Murdock        |
| Barden         | Gillette     | Myers, Pa.     |
| Barry          | Grant, Ind.  | O'Day          |
| Beiter         | Healey       | Osmers         |
| Bishop         | Heffernan    | O'Toole        |
| Bloom          | Howell       | Pfeifer,       |
| Boland         | Jarman       | Joseph L.      |
| Bonner         | Jarrett      | Rivers         |
| Boykin         | Jenks, N. H. | Romjue         |
| Bradley, Pa.   | Johnson,     | Sacks          |
| Buckler, Minn. | Lyndon B.    | Scanlon        |
| Buckley, N. Y. | Kee          | Schaefer, Ill. |
| Byron          | Kelley, Pa.  | Scott          |
| Cannon, Fla.   | Kennedy,     | Scrugham       |
| Capozzoli      | Michael J.   | Shannon        |
| Casey, Mass.   | Keogh        | Sheridan       |
| Celler         | Kilburn      | Short          |
| Clark          | Kirwan       | Smith, Pa.     |
| Clevenger      | Kleberg      | Somers, N. Y.  |
| Cole, Md.      | Klein        | Stratton       |
| Creal          | Kocalkowski  | Summer, Ill.   |
| Cullen         | Kopplemann   | Sweeney        |
| Delaney        | Kramer       | Taber          |
| Dickstein      | Lane         | Talbot         |
| Dies           | Larrabee     | Thill          |
| Ditter         | Lewis        | Thomas, N. J.  |
| Douglas        | McCormack    | Tolan          |
| Eberharter     | McGranery    | Vreeland       |
| Englebright    | McKeough     | Walter         |
| Fitzpatrick    | Magnuson     | White          |
| Fogarty        | Marcantonio  | Worley         |
| Gale           | Merritt      |                |
| Gavagan        | Mitchell     |                |

So the conference report was agreed to. The Clerk announced the following pairs:

General pairs:

Mr. McCormack with Mr. Englebright.  
 Mr. Barden with Mr. Douglas.  
 Mr. Gavagan with Mr. Scott.  
 Mr. Boland with Mr. Taber.  
 Mr. Keogh with Mr. Ditter.  
 Mr. Jarman with Mr. Kilburn.  
 Mr. Bonner with Mr. Short.  
 Mr. Kocalkowski with Mr. Gale.  
 Mr. Dies with Mr. Gerlach.  
 Mr. Clark with Mr. Howell.  
 Mr. Kramer with Mr. Thill.  
 Mr. Merritt with Mr. Thomas of New Jersey.  
 Mr. Cannon of Florida with Mr. Bishop.  
 Mr. Boykin with Mr. Clevenger.  
 Mr. Murdock with Mr. Jenks of New Hampshire.  
 Mr. Cole of Maryland with Mr. Osmers.  
 Mr. Kleberg with Mr. Grant of Indiana.  
 Mr. Bloom with Mr. Vreeland.  
 Mr. Romjue with Mr. Talbot.  
 Mr. McKeough with Mr. Gillette.  
 Mr. Cullen with Mr. Baldwin.  
 Mr. Rivers with Mr. Jarrett.  
 Mr. Scrugham with Mr. Stratton.  
 Mr. Creal with Miss Sumners of Illinois.  
 Mr. Tolan with Mr. Marcantonio.  
 Mr. Delaney with Mr. Buckler of Minnesota.  
 Mr. Barry with Mr. Lane.



Mr. Hcaley with Mr. Buckley of New York.  
 Mr. Kee with Mr. Casey of Massachusetts.  
 Mr. Capozzoli with Mr. Kirwan.  
 Mr. Kopplemann with Mr. Celler.  
 Mr. Lewis with Mr. Eberharter.  
 Mr. Fitzpatrick with Mr. Mitchell.  
 Mr. Myers of Pennsylvania with Mr. Fogarty.  
 Mr. Klein with Mr. Walter.  
 Mr. White with Mr. Beiter.  
 Mr. Joseph L. Pfeifer with Mr. Sacks.  
 Mr. Kelley of Pennsylvania with Mr. O'Toole.  
 Mr. Michael J. Kennedy with Mr. Magnuson.  
 Mr. McGranery with Mr. Heffernan.  
 Mr. Bradley of Pennsylvania with Mr. Lyndon B. Johnson.

Mr. Somers of New York with Mr. Smith of Pennsylvania.

Mr. Sweeney with Mrs. O'Day.  
 Mr. Dickstein with Mr. Schaefer of Illinois.  
 Mr. Sheridan with Mr. Shannon.  
 Mr. Scanlon with Mrs. Byron.

Mr. Hook changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

#### EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Pasadena Star-News.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. PADDOCK. Mr. Speaker, I have been granted permission to address the House for 15 minutes at the close of business today. I ask unanimous consent that this time be transferred to next Thursday, at the conclusion of the legislative program of the day and following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### SECOND WAR POWERS BILL, 1942

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 32: Page 16, "Title VIII. Compensation for certain civilian defense workers," strike out all of page 16 and lines 1 and 2 on page 17.

Mr. SUMNERS of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SUMNERS of Texas. How much time is permitted for debate on this proposition?

The SPEAKER. Debate is under the hour rule. The gentleman has control of 1 hour. If he does not move the previous question at the end of that time, any other Member getting the floor will have an hour.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House insist upon its amendment numbered 32, and yield myself 10 minutes.

Mr. Speaker, I hope the Members of the House will give full attention to this discussion on a matter with reference to which members of the Committee on the Judiciary and Members of the House have very definite differences of opinion. This amendment deals with a governmental policy that goes very, very deep, and is something we ought to consider as we are moving away from the position of the skirmish line of this World War and into the realities of a struggle for existence.

This is a proposition to attach to the Federal Treasury millions of persons engaged in voluntary community service. I want to get across what this proposes. We have been going on the theory in America that the Federal Treasury is inexhaustible. It is my observation, and I have studied this thing pretty closely, that every time there is a manifestation of true, democratic spirit in America some one of the Federal bureaus runs out and tries to suppress it, ties it into the Federal machinery and smothers its spirit of independence. There is not a bit of use in getting up here and denouncing bureaus when we endorse the extensions of this character of bureaucratic power over these fine voluntary manifestations that the spirit of democracy is not dead in America.

We are coming to a show-down in America as to what sort of government we are going to have here. You cannot have a democratic government in America if the people of the communities are not able or willing or permitted to assume on their own responsibility these local matters. That is all there is to it.

Each of you is familiar with the various activities of civilian defense, including the work of air-raid wardens, and so forth. I have been checking in on the spirit of those people and of the spirit of the American people generally. To my mind, it is the one bright spot in this whole picture—self-reliance, conscious responsibility, and a willingness to do the job without looking to Washington to get something from the Federal Treasury.

These people are proud of what they are doing, and I want to tell you that that is the spirit we have got to have in America if we are to win this war. That is all there is about it. A man who will not go out in his community and do what he can to protect his neighbors unless he has assurance that, somehow, he can connect up with the Federal Treasury, does not make up the sort of people that have a chance to win this war. When they are becoming fitter and finer day by day, why do this destructive thing?

I am going to read a telegram, and I want you to listen to it. I want to say that this telegram does not represent the spirit of the new-born America. I do not know whether you people have been taking samples of the public attitude and public fitness in America or not. I have been doing it for several years, especially during the past 2 years. The most magnificent thing I have seen on this earth and the most heartening thing I have seen on this earth is to see the people now under the challenge of danger and responsibility shoving aside this false, unfit, soft personality which used to dominate America and standing forth now strong, courageous, determined people willing to do the job that is necessary in order to preserve our democracy.

This thing reaches further than just attaching these some millions of people to the possibility of getting something from the Federal Treasury. These people are exemplifying what we have got to have in America if we are to have a chance to win.

Let me read this telegram, and I am talking to you now when your Nation and mine and everything we have got are at stake. Do not tell me that any people have a chance to win who are not strong and vigorous and determined to do the job as civilian protectors of their own communities without getting attached to the Federal Treasury. Here are these patriotic citizens in little communities and big communities meeting under the challenge of community danger, and of our democracy, and here we have one of these Federal bureaus running out and trying to hook them onto the Federal Treasury. Let me read this telegram to you. I do not know whether these telegrams have been stimulated from Washington or not:

Believe imperative that public liability feature of Senate bill 2208 be restored to protect volunteers in civilian defense.

I want you to listen to this. This is signed by public officials, and this is what they say about their people:

Unless this is done—

Now listen to this, talking about his folks in his community:

Unless this is done, not only will the morale of the air wardens, auxiliary policemen, and auxiliary firemen be destroyed.

Unless we attach these people to the Federal Treasury, a busted Treasury, unless we attach them, the morale of auxiliary air wardens and policemen and firemen will be destroyed.

Have we got a chance to win a war with a gang like that? We might just as well put up the white flag now and be done with it. Destroy their morale—

Now, listen to this:

But we may lose their services.

Think of a man saying that about the people in his community—they will absolutely quit. Well, I think it is a pretty good time to find out what we have with which to fight this war. I have been studying people all my life and the American people today have got the fittest stuff in them they have had since I have had any connection with public life.



I want to tell you they are way ahead of us here. What we need in this country is to let these patriotic citizens in these communities stand out as a flaming light in a dark night, and let us point to them as patriotic citizens willing to serve their country without greasing their pockets with Federal money.

What is the matter with the communities taking care of these people? Where is this money coming from if the Federal Government does it? It is coming from them. The outfit that is possibly having these telegrams sent out wants to have some more thousands of people administering this thing on the Federal pay roll eating up the tax money of the people, which we need to fight this war. Where is the money coming from? It is coming from the people.

I feel deeply about this. I have respect for gentlemen who disagree with me about it, but I have been studying this matter. I have been going deep into it. I have been wondering whether my people have a chance to win. We cannot win in Congress. The President cannot win. We need something more than armies and navies with which to win.

We need that which is represented by the sacrifice and the effort and the devotion to service of these brave men who go out to these meetings, willing to risk their lives for their Nation and their community, and yet this man who sends this telegram says they will quit unless, somehow or other, they can hook on to the Federal Treasury. He has a finer people than that telegram indicates.

I am now going to reserve the rest of my time, and I am going to have something more to say when the other fellows get through.

Mr. HANCOCK. Mr. Speaker, will the gentleman yield to me?

Mr. SUMNERS of Texas. How much time does the gentleman want?

Mr. HANCOCK. Mr. Speaker, if the gentleman will yield me 20 minutes, I think that will take care of all of the time wanted on this side. I have three requests for time.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. HANCOCK]. If the other gentleman to whom he refers will come to me, I think I can take care of them.

The SPEAKER. The gentleman from New York is recognized for 10 minutes.

Mr. HANCOCK. Mr. Speaker, the conferees on the part of the Senate and the House have been able to compose the differences in S. 2208 as it was passed by the two bodies, so far as they are authorized to do so, in all respects save one. Our distinguished chairman, as he has told you with characteristic eloquence and earnestness, is unalterably opposed to title VIII as contained in the text of the bill passed by the Senate and to any modification or amendment of it. He does not believe that the unsalaried employees of the O. C. D. should be eligible for any benefits under the United States Employees' Compensation Act, no matter how dangerous or how arduous their duties may be. Out of deference to him and because of our high regard for him, the conferees have agreed to disagree so

that he may again state his views to the House and ask for instructions to insist on the House amendment striking title VIII from the bill.

I realize that this is not an opportune time for the Director of the O. C. D. to ask that his organization be made eligible for the benefits of the Employees' Compensation Act. The first two Directors of it showed such a thorough misconception of its proper functions as to bring the entire institution into disrepute. The O. C. D. was created by Executive order on May 20, 1941. It was set up primarily to organize for defense against the destruction and the suffering that may be occasioned by enemy bombardments and air raids on our cities, our factories, and our civilian population. For these purposes the Congress appropriated \$100,000,000. Many of our finest citizens have volunteered to do the various types of work involved in saving lives, saving property, caring for the injured, the homeless, and all the victims of hostile attacks on our shores. Serious blunders have been made at the top but not in the rank and file of the O. C. D.

The people of the United States were disgusted and indignant when they learned that the responsible heads of the organization here in Washington had diverted their efforts from making necessary preparations for protective services to promoting public amusement and recreation on the theory that such activities would bolster public morale. If there is any Member here who failed to recognize the public outcry against the employment of dancers, movie actors, coordinators of rowing, walking, ping-pong, billiards, bag punching, horseshoe pitching, and other amusements he must be deaf, dumb, and blind.

The people are sick and tired of boondoggling, of waste and extravagance, of inefficiency in high places, and of partisan politics. I do not believe they approve such narrow partisan attitudes as that displayed by the Attorney General when he intimated that the success of the New Deal was of paramount importance, by Chairman Flynn when he stated the election to office of any but New Dealers would be a disaster as great as Pearl Harbor, by ex-Chairman Farley when he exhorted his cohorts to keep the political pot boiling. They are outraged by the jockeying of rival labor organizations and farm groups and industrial groups for profits and preferential treatment in this critical hour when our national existence is threatened. How many more defeats must we suffer, how many more disasters must befall us, how much greater must be our taxes and privations before selfish individuals and groups of individuals from the highest to the lowest in the land realize the necessity for sacrifice, for hard work, for a united effort to save our common country and the institutions we cherish?

All this may seem beside the point, but it is not. Title VIII in a modified form is in the interest of our war effort. Certain of our citizens will be called upon in the event of bombardment from the sea or air attack to act as air-raid wardens and fire wardens. Others will engage in air patrols. They are training

now for these dangerous and important duties. Theirs will be the chief responsibility to actively assist the regular police and the fire departments in protecting the rest of us when the shells and the bombs begin to fall. It is all very well to say that everyone will rush to assist their neighbors at such a time. Unorganized and untrained men can accomplish nothing except to create confusion and pandemonium in a crisis.

If attacks come, they will be made against the large industrial cities on or near the Atlantic and Pacific coasts. The property damage will be largely localized, but the burden should be shared by all of us. We have recognized the justice of this proposition in the disaster insurance bill passed a few days ago. Many of the wardens in those cities will be killed or maimed. The burden of caring for them or their dependents ought not to be placed on the charity of the afflicted communities. It is the duty of all of us to assist the victims of the aggression of our common enemy.

I still think the O. C. D. should have been placed under the jurisdiction of the War Department and that greater use should have been made of such splendid organizations as the American Legion, the American Red Cross, and other patriotic and humanitarian societies in the work of protection and rescue. However, we must accept the situation as it is and make the best of it.

The new Director of the O. C. D. has inherited a job badly begun. There are mistakes he must correct, and I have enough faith in him to believe he will do it. He is entitled to our support. He most earnestly asks that the men of the O. C. D. trained for hazardous duties and willing to perform them in emergencies without pay shall be brought within the provisions of the United States Employees' Compensation Act as a matter of simple justice and for the purpose of strengthening their morale. The policemen and firemen with whom they will work in emergencies are covered by local compensation laws. The paid personnel of the O. C. D. are eligible for compensation. If the wardens received salaries they would automatically come within the provisions of the Federal compensation law. There is no justice in barring them from the benefits of the act because they are public spirited enough to risk their lives for the common cause without pay.

I am not entirely satisfied with the language of the title as originally introduced in the Senate, as amended in the Senate, or as suggested to the conferees by a proposed new draft of the title. I think the benefits of the United States Employees' Compensation Act should be limited to those men who have taken a prescribed course of training in one of the protective services and who in an emergency are obliged to expose themselves to danger when the rest of the population seeks shelter, to men who have been officially designated for such duties and who have taken an oath to perform them. I want these groups specifically named.

The passage of this bill ought not to be unduly delayed, since many of its



provisions are urgent. I should dislike, however, to have this House go on record as being opposed to the principle of title VIII. Let it go back to conference without instructions. If the conferees cannot speedily agree upon a just and reasonable provision with proper limitations, one which will meet your approval, I as a humble member of the conference will vote to strike it from the bill. It will then come up as a separate bill and be considered de novo. But the matter ought to be settled now in the interest of justice and the morale of the O. C. D. England has such a law. We will have it sooner or later. We have already delayed action on too many important questions too long.

It is our duty to see to it that these brave, generous, public-spirited men who do the perilous work of wardens receive the benefits of the Compensation Act just as much and more than to indemnify the people whose property is destroyed by shells and bombs from the air and from the sea.

It is hard to resist the eloquence of the gentleman from Texas [Mr. SUMNERS]. He usually wins. I simply ask you to give this matter some thought. Send it back to conference and see if we cannot bring back a fair bill with limitations that will satisfy you and that will do justice.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK. I yield.

Mr. MICHENER. If I understand the gentleman's position, he is not in favor of title VIII of the bill as written, or what has been agreed to by the conferees?

Mr. HANCOCK. No; I am not. I think the whole thing should be rewritten and that limitations should be inserted such as I have indicated, that benefits should only be extended to those men who are especially trained to do the work of air wardens or fire wardens and who have taken an oath to do it and who will be obliged to expose themselves to danger while the rest of us are seeking shelter.

Mr. MICHENER. I appreciate the gentleman's position, but this thing as drafted is so broad that if any one of those people working for the O. C. D., which is an agency of the Government, and under the direction of somebody who is an agent of the Government in the O. C. D., as, for example, a dancer, should break a toe, the Federal Government must pay. We will be confronted with a lot of accidents of that kind. I, for one, want to vote to eliminate this whole title VIII from the bill.

Mr. HANCOCK. So do I as it is now written. I agree with the gentleman. The class of people the gentleman has in mind should not come within the provisions of the compensation law.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, in order that Members of the House may have full information respecting title VIII of this bill, S. 2208, and what is proposed at this particular time, may I briefly explain

that at the time this bill was considered by the Judiciary Committee, title VIII was not agreeable to a majority of the committee. The bill came to the floor of the House. After debate, title VIII was entirely eliminated from this bill. It then went to conference and the conferees have made a report herein, by which they bring back into this bill title VIII, by language approximately the same as that which was originally included in the bill.

Title VIII, as you know, provides that all of these volunteers, either air-raid wardens, or fire wardens, even though they receive no compensation for service, if there is any injury of any kind suffered during any fire or during any air raid, they are brought under the Federal compensation law just as if they were receiving \$100 per month compensation from the Government for services rendered. In other words, the basis of their compensation would be 66⅔ percent of such monthly pay, at the rate of \$100 per month. Any person who is injured, who comes within the classification of a fire warden or an air-raid warden, would be entitled to that compensation, if this provision is agreed to.

I am inclined to believe, Mr. Speaker, that our people are all patriotic. I am constrained to believe that our people want to guard the safety of themselves, their families, and neighbors, as patriots.

I want to call the attention of Members of the House to the argument which was presented by my very distinguished friend, the gentleman from New York [Mr. HANCOCK]. He and I are usually in full agreement. However, I cannot agree with his logic in this instance. The gentleman from New York says these air-raid wardens or fire wardens ought to be brought under the provisions of the Federal compensation law. However, I suggest to you, in that connection, where are you going to draw the line of demarcation between an air-raid warden, or an assistant, or one whom he sends into a dangerous position, or place, in time of peril? To which one of those men are you going to say, "You may receive compensation"? Yet, to the other man, who is not classified as an air-raid warden or a fire warden, you are compelled to say, "You cannot receive 1 cent compensation." Think with me for just a moment in this connection: In some of the large apartment houses in this city I have checked with some of the air wardens. Just last Saturday afternoon I was talking with one who has assumed that responsible position of air-raid warden. I discussed this provision of this bill with that gentleman, title VIII. This is what he said to me: "We do not want any law of that kind." I discussed with him the subject of his assistants and those who have been assigned to positions of responsibility in case of an air raid or in case of a fire. He said to me, "I have assigned people on every floor and in every wing of this apartment house." Some of these people will no doubt have a very responsible task in case of attack. In case of a fire, or in case of a raid, who would have the position of greatest responsibility? The warden, who would

give the general command, or the fellows who would go into the wings of the apartment building and get people out and aid in getting them into places of safety?

My judgment, Mr. Speaker, compels me to say that, in my opinion, the assistants—those who go into the places of extreme danger—are in peril equally as great as the warden himself. There is certainly no difference between men—certainly there is no difference between an air-raid warden or fire warden and his assistant. Then, pray tell me, why the warden, if injured, should claim compensation under Federal law, while his assistant, or others working for the general safety of the public, cannot claim such compensation? If title VIII, approved by the conferees, is accepted by the House that is just the plan we will endorse.

I am wondering where you are going to draw the line of demarcation. If one group is entitled to such compensation, then all groups should likewise be so entitled. If you include one, you must include all. Everyone will be in position of peril under those circumstances.

May I conclude with this statement: We are engaged in a terrible war. We must win this war, and we must win it as quickly as possible. We must save the lives of our men and boys. While our boys are fighting, and while every American is making an all-out effort to win this war, do we want to take away the right of patriotic Americans to render a service for their country, for themselves, their families, and their neighbors, without placing their hands in the Federal Treasury. Our people want to work, they want to render service, they want to win this war, and they do not want either pay or compensation. They want to assert their patriotism.

Mr. Speaker, when I think of the millions of our people who would come under the provisions of title VIII, if it should be enacted into law, I shudder at the staggering cost. Can we visualize the frauds which might be involved—malingerers would become the watchword in many instances, and deception would be presented. Our Government would be almost completely helpless to protect itself.

Let us forget these pensions. When this war is over we will face staggering pensions. Let us win this war now. Let us not attempt to buy the patriotism of our patriotic people—let us encourage them. Let us stop this plan for pensions, and let us think of our Nation. We must preserve it, forever.

Mr. SUMNERS of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. LELAND M. FORD].

Mr. LELAND M. FORD. Mr. Speaker, I want to read a telegram into the RECORD:

LOS ANGELES, CALIF., March 13, 1942.  
Hon. LELAND M. FORD,  
Washington, D. C.:

Believe imperative that public liability features of Senate bill No. 2208 be restored to protect volunteers in civilian defense. Unless this is done, not only will morale of air-raid wardens, auxiliary policemen, and auxiliary firemen be destroyed, but we may lose



their services. Congress urged to remember matter of tremendous importance to volunteers serving in this target area.

SHERIFF E. W. BISCAILUZ,  
*Chairman,*

HAROLD W. KENNEDY,  
*Executive Director,*  
*Los Angeles County Defense Council and*  
*member of California State Defense*  
*Council.*

This telegram comes from an area which will be a battleground. I have heard the argument both for and against this section 8 of the bill. Nobody can accuse me of wanting to vote for frivolous expenses, particularly in view of the fact that it was my amendment that passed the House 88 to 80 to cut them out.

Now, Mr. Speaker, I want to answer my colleague about the matter of demarcation. One demarcation—I say this sincerely—could be those areas that are battle areas. In California, for instance, it would not be proper to make a State set-up and make the State carry these compensation cases because, after all, the people of the west coast did not declare war; it was the United States of America that declared war. They therefore should be responsible for the expense. We are in the combat area and we have to face it. I will agree with my colleague from Texas that we should cut out expenses of certain kinds, but there are in the O. C. D. two kinds of functions, proper functions and improper functions. I will go down the line on cutting out every single one of the frivolous expenses not only on this bill but I will go right on down the line on every department on the matter of social gains and a lot of these things that I consider to be unreasonable and undesirable and unnecessary functions of the Government.

In the matter of this air-raid warden service the wardens will not only be located in apartment houses but they will go out in the streets. These air wardens who serve on a voluntary basis and who are willing to sacrifice their lives, if necessary, are a part of our defense forces and should therefore be properly protected. Are you going to say to all these people: "You go out and protect us but if you are injured we will not stand behind you?" What is going to happen to your organization?

Mr. Speaker, these things either are necessary or they are not necessary. If they are necessary there are certain reasonable expenses that must go along with their operations. I say that this is a necessary expense. It is a part of our war program. It may be that title VIII should be rewritten, should be clarified, the language made more specific. If that is necessary I hope it will be done, but I hope the conferees will include this title in the bill.

[Here the gavel fell.]

Mr. ROLPH. Mr. Speaker, Mayor Angelo Rossi, of San Francisco, wired me Friday:

Senate bill 7208, title 8, provides for workmen's compensation for civilian defense workers engaged in protective services and brings these persons within purview of Federal Workmen's Compensation Act. After

passage by Senate, House deleted title 8, section 801. Tomorrow morning conference will consider reinstating deleted portion of said bill. If bill is not adopted as passed by Senate, San Francisco as well as other cities will have to provide fund to care for civilian defense workers when injured. Workers in San Francisco alone will amount to over thirty thousand. Their duties are not entirely local but represent national as well as civilian defense. I ask you to exert your best efforts in obtaining reinstatement of deleted portions of bill.

On making inquiry as to the conference mentioned in the mayor's telegram, I learned that no conference was to be held last Saturday so reference is no doubt to the report being considered today.

Title VIII deleted by the House is still in dispute as will be seen by conference report.

When title VIII was before the House on February 28, 1942, the gentleman from Texas, Representative SUMNERS, said:

Briefly, this title VIII deals with voluntary organizations, individuals, and so forth, in the various communities of the States engaged in community defense, like fire wardens and people of that sort. This bill provides that in the event of injury, persons not on a salary shall be dealt with from the standpoint of Federal compensation as though they were employed at a salary of \$100 a month.

And from Congressman CELLER's remarks I quote:

Our Judiciary Committee wishes to provide relief for those injured, hurt, maimed, wounded, and for dependents of those who have rendered the supreme sacrifice. But we desire that it be done in a separate bill.

The gentleman from Ohio [Mr. THOM] said he opposed the amendment when it was discussed in the Judiciary Committee. When the bill was later reported to the Committee of the Whole he offered an amendment which was as follows:

On page 15, line 21, after the word "defense", insert "during an enemy attack."

In support of this special amendment, the gentleman from Ohio [Mr. THOM] explained:

Every man who enlists as a warden and is injured will seek his Congressman out and have him introduce a special bill in the House of Representatives. If these air bombings become general you will have hundreds and hundreds of special bills to deal with. These bills will grant lump sums that may be used up quickly, whereas the compensation system would give them a certain amount weekly over many weeks in order to keep their families together until they can again become wage earners.

Large cities on all seacoasts will no doubt be subjected to the most devastating and most intense air raids. This is so apparent that it hardly seems necessary to restate it, but those people who live inland and therefore are in sections less likely to air raids should realize the war is all-out war against the United States and not a war against the Atlantic States, the Gulf States, or the Pacific States.

Mr. Speaker, I urge the House to recede from our position and accept the Senate title VIII, section 801, of Senate bill 2208.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. DUNCAN). The gentleman will state it.

Mr. MICHENER. There seems to be a slight misunderstanding as to what is before the House. As I understand the matter, the chairman of the Judiciary Committee has made a motion that the conferees insist on the position of the House; that is, if that motion carries, and if the conferees do insist, title VIII will be out of the bill entirely, or at least the matter must come back to the House. Am I correct?

Mr. McLAUGHLIN. Mr. Speaker, if the Chair will permit me, that is not the situation.

Mr. MICHENER. What is it, then?

Mr. McLAUGHLIN. I want to disclaim—

Mr. MICHENER. Just a minute, I cannot yield any time for debate, I do not control the time.

Mr. McLAUGHLIN. There is no time running against anybody. The gentleman is operating under a parliamentary inquiry.

Mr. MICHENER. The only person who technically can answer the question is the Speaker, but if the gentleman has the answer I am sure we would like to have it.

Mr. McLAUGHLIN. I shall be pleased to give the gentleman my best judgment on it, having given it a little thought, if he is willing to listen.

My understanding is that the matter went to conference on a disagreement. The House struck title VIII out of the bill after the Senate had passed title VIII in the form in which it was in the bill as stricken out by the House. Those conferees who were favorable to the general purpose of title VIII were not willing to adopt title VIII of the Senate bill in the form in which it had been defeated in the House. The Senate conferees came back with a proposition and suggestion amending title VIII, to which the gentleman from New York [Mr. HANCOCK] and myself as conferees were willing to agree. The gentleman from Texas [Mr. SUMNERS] was not willing to agree. We then agreed, rather than to sign a 5 to 1 conference report embodying the Senate amendment, to bring the conference report back in total agreement with exception of title VIII that we have before us.

That means this, as I understand it: In order to send the bill back to conference, it is necessary, as I view it, for those on both sides, either for or against, to vote to insist on the House amendment. This will put the bill in disagreement and will send it back to conference. We will go to conference and will then consider it in conference, bringing back a conference report, unless the Senate should accept our position, in which event the matter would be terminated.

Mr. MICHENER. That is my understanding, but I wanted to get before the House the fact that in order to eliminate this title VIII the vote on this motion must be "yea." Then the bill goes back to the Senate and if the House conferees will stay by the instructions given them by the House, through the passage of the bill, they will insist on the elimination of



title VIII from the bill and so report back to the House.

Mr. McLAUGHLIN. I am not entirely in accord with the gentleman so far as the latter part is concerned.

Mr. MICHENER. Disagreements do sometimes occur.

Mr. McLAUGHLIN. I agree with that, but might I say that I do not understand the situation to be that the conferees will be in a position where they will not be permitted to exercise their judgment or discretion as conferees in the event the House votes to insist upon its amendment, because that is the only way in which the matter can go to conference. The situation now is such that in order to get title VIII back to conference, even to incorporate in the bill the Senate amendment, we would have to vote against title VIII, or, in other words, we would have to vote for the Sumners motion to insist on the action of the House. When the gentleman says that the House conferees are bound to insist on the elimination of title VIII, I am afraid I do not agree with the gentleman.

Mr. MICHENER. There is no use arguing that. All I am interested in is this: I have listened to the two speeches of the gentlemen who are on the conference committee. The gentleman from Texas [Mr. SUMNERS] stated his position, which was the position of the House when the bill was before the House. The gentleman from New York [Mr. HANCOCK] stated his position, which was broader than the position taken by the House. There were many, especially on this side, who feel as they did when the matter was before the House and do not agree with the position expressed by my good friend from New York, with whom I usually agree. It would seem strange to vote with the gentleman from New York when you are not in favor of the position which he suggests, yet that is the thing we must do here if we are still of the same mind we were when we voted on the bill when it was before the House.

Mr. HANCOCK. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from New York.

Mr. HANCOCK. The gentleman from Nebraska will remember that it was our hope that this bill with this title would come back to the House for instructions, and it was my hope that the chairman of the committee would make his motion in the form of a request for instructions. Before abandoning title VIII entirely, the gentleman from Nebraska and myself wished to have an expression of the sentiment of the House.

Mr. McLAUGHLIN. The gentleman is correct.

Mr. MICHENER. That cannot be accomplished under the parliamentary procedure in the House, as presently presented. The gentleman from Nebraska and the gentleman from New York are suggesting doing something that cannot be done at this time under the rules of the House. That is why I am asking for a clarification by the Speaker as to just what the situation is.

The SPEAKER pro tempore [Mr. DUNCAN]. The Chair may say that there are two things the House may do: The House may insist on the amendment, or it can recede from it. If the bill goes to conference, then the conferees have the subject before them, to be considered by the conferees, if the Senate insists on its position.

Mr. McLAUGHLIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. McLAUGHLIN. If the House votes not to insist upon its amendment, then there is nothing before the conferees, because the House will then have yielded to the position taken by the Senate, as I understand the situation. Am I correct?

The SPEAKER pro tempore. If the House recedes from its amendment, then there would be no reason to go to conference.

Mr. McLAUGHLIN. That is what I intended to ask. So that the situation is, Mr. Speaker, if I understand it correctly, we have two alternatives—one to insist and one to recede.

The SPEAKER pro tempore. That is correct.

Mr. McLAUGHLIN. If we recede, we vote to pass without further action by the conferees the bill in the form in which it was prior to the time the Judiciary Committee, by committee amendment, moved that this title be stricken out, and prior to the time the House adopted that amendment. If we vote to insist, then we send it back to conference for action by the conferees. Is that not the situation?

The SPEAKER pro tempore. If the House adopted the pending motion, then it goes back to the Senate for further consideration. It goes to the Senate first before it goes to conference.

Mr. McLAUGHLIN. If the Senate does not agree with our action in accepting the Sumners motion insisting on the House amendment, then the matter will have to go to conference?

The SPEAKER pro tempore. That is correct.

Mr. McLAUGHLIN. In that event the conferees on the part of the House and the conferees on the part of the Senate will have within their power and discretion the right to bring in any proposal which they see fit to bring back to the House and to the Senate?

The SPEAKER pro tempore. It will be before the conference and the conferees may bring in a compromise report, if they so desire.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MICHENER. The real point in which I am interested is that there is no possible parliamentary way whereby the House may instruct the conferees at this time. To effect our purpose therefore we must send this bill back to conference or accept the objectionable Senate amendment.

The SPEAKER pro tempore. The House cannot instruct the Senate conferees.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN. If I want to vote against putting the employees upon the compensation roll, if they are hurt, how should I vote?

The SPEAKER pro tempore. Vote "aye" on the motion.

Mr. SUMNERS of Texas. Mr. Speaker, a number of gentlemen have asked for time and I want to make another big speech, but I believe I shall move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion offered by the gentleman from Texas.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 45: Page 31, in the title, strike out "XV" and insert "XVI."

Mr. SUMNERS of Texas. Mr. Speaker, I believe all the other amendments in disagreement are formal amendments, and I ask unanimous consent that they may be considered en bloc.

The SPEAKER. The Chair understands that the remaining amendments in disagreement are not controversial and are simply amendments changing the numbers of sections.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Clerk will report the remaining amendments in disagreement.

The Clerk read as follows:

Amendment No. 46: Page 31, line 6, strike out "1501" and insert "1601."

Amendment No. 47: Page 31, line 7, strike out "Title XII" and insert "Titles XII and XV."

Amendment No. 50: Page 31, line 17, strike out "1502" and insert "1602."

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House recede on its amendments numbered 45, 46, and 50.

The motion was agreed to.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the House insist on its amendment numbered 47.

The motion was agreed to.

By unanimous consent, a motion to reconsider the votes by which the several motions were agreed to was laid on the table.

#### EXTENSION OF REMARKS

Mr. SUMNERS of Texas asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. ELIOT of Massachusetts asked and was given permission to extend his own remarks in the RECORD.

Mr. SUMNERS of Texas. Mr. Speaker, I had agreed to yield time to the gentleman from California [Mr. ROLPH] during the discussion on the conference report just adopted, but overlooked it. I ask unanimous consent that the gentleman from California be permitted to extend



1901

1901





I suppose every State in the Union has had such an experience, and has waked up with a headache the day after election. During a campaign people have the mighty, passionate desire to hold the Holy Grail in one hand and an Excalibur in the other; but a week after election all that great interest subsidies like a punctured balloon, and nothing is done.

Years ago when I was a young man I walked into a law office in Indianapolis, Ind., occupied by my cousin, who was a prominent young lawyer of that State. While I was in the office a dapper little gentleman walked in. As I remember, he wore pearl-gray spats, and was a pattern of sartorial elegance and luxury. My cousin introduced me to him. He said, "This is Governor Taylor, of Kentucky." I bowed clear to the floor. I thought, "This is fine for a kid like me to be meeting a real live governor."

Mr. CHANDLER. He was a fugitive from justice.

Mr. BONE. My cousin took me to one side and said, "Don't get too jazzed up, Homer, because he is a fugitive from justice. He would be back in Kentucky if it were not that our Governor refuses to send him back. The State of Kentucky wants him badly." It seems that Governor Goebel had been "knocked off" by some rough Kentuckian, a very rude person, who shot him. For a long time Kentucky was ripped and torn by the political feuds which arose out of the Taylor-Goebel incident. I am looking at the Senators from Kentucky suspiciously. I do not know how Kentucky ever ironed out that situation, or whether it ever got into the Senate; but somebody ought to have been indicted for something or other because of that trouble. I am only hopeful that none of the principals came to the Senate.

Mr. BARKLEY. All that is now barred by the statute of limitations. I do not know what connection the Goebel-Taylor situation has with the matter now pending before the Senate, but it was a very interesting political development which came very near to producing a revolution in the State of Kentucky. However, the legislature in its wisdom brought about a situation in which Lieutenant Governor Beckham was made Governor, following the death of Goebel. Governor Beckham served for practically 8 years, because, although the term of Governor is limited to one 4-year term, the court of appeals of our State held that the restriction did not apply to serving out the remainder of an unexpired term. Governor Beckham thereafter ran for the full term, and served practically 8 years continuously as Governor. Although a very young man, he brought about a solution of the problem by his calm, judicial temperament and by his wisdom. He restored order in Kentucky and avoided the chaos which was on the verge of occurring. Although for many years there were bitter memories and animosities as a result of the contest which had resulted in the murder of Goebel, soon thereafter the government of the State resumed its peaceful course in the history of Kentucky, and today those unhappy events remain as only an unpleasant memory to our people.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me?

Mr. MURDOCK. I yield.

Mr. CLARK of Missouri. In addition to what the Senator from Kentucky has said, it might be added that Taylor, the Republican who, on the basis of the election returns, was elected Governor, fled to Indiana and hid there for a number of years, being protected by the refusal of the Governor of Indiana to honor the requisition of the State of Kentucky. Later, he was pardoned by Wilson, a Republican, who was elected Governor of Kentucky without opposition the first time he ran; Caleb Powers, who was charged with participation in the murder of Goebel, later served in the House of Representatives for 8 or 10 years.

Mr. BARKLEY. I do not want to go back into that matter. The pardon was issued by the Governor who in his campaign had sworn that he would not pardon Taylor, who had been hiding in the wilds of Indiana for 8 years. Caleb Powers, who was one of the men indicted for participation in the murder of Goebel, served 8 years in jail, after three trials. When he got out of jail he lived in the mountains, in a Republican district. The people of that district had vowed that when he got out of jail they would elect him to the House of Representatives and would keep him there for as many years as the Democrats had kept him in jail. They did so. Previously, he had been convicted under the administration of the same Governor under whose administration Taylor was convicted.

Mr. CHANDLER. Mr. President, will the Senator yield to me?

Mr. MURDOCK. I yield.

Mr. CHANDLER. That misfortune also came to us in 1896; in that year we had the first Republican Governor in the history of our State.

Mr. BONE. Mr. President, will the Senator yield to me?

Mr. MURDOCK. I yield.

Mr. BONE. Of course, a considerable length of time would be required for the people of a State to recover from the shock of so great a tragedy as that.

Let me say to the Members of the Senate that, as a member of the jury, I am tempted to move for a mistrial because so many of the jurors have run out during the trial of the case, and the defendant does not seem to be receiving a trial at the hands of his peers.

Mr. BARKLEY. It is a misfortune that the rules of the Senate do not require the Presiding Officer to keep the jury together, as is required of the judge presiding during a criminal trial. It is probably fortunate that nobody has attempted to keep the jury together overnight.

Mr. BONE. If I may appear as amicus curiae, and may speak to the court, I should like to say that probably we should require the Sergeant at Arms to bring in the recalcitrant jurors so that they may find out if there is anything to the pending case. We do not want to waste on the desert air of empty seats all the sweetness on both sides. This is an important matter to the Senate, as well as to the Senator from North Dakota.

Mr. CHANDLER. Mr. President, if the Senator from Washington is worried

about the matter, I wonder how he feels about members of the committee, who have been working on the case for nearly a year.

Mr. BONE. I am simply trying to make up my mind about some of the shadings and nuances of the case. I am wondering why the people of North Dakota, who have sworn to do something about this matter, have not done it. I desire to satisfy my own judgment on the facts, and also, if possible, to vindicate the outraged feelings of the people of North Dakota, who do not seem to have vindicated themselves.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MURDOCK. I shall yield in a moment.

While the remarks of the Senator from Kentucky, as well as the remarks of the Senator from Washington, which prompted them, are so fresh in my mind, I again point out to the Senate that the very fact that we cannot keep a quorum here and the very fact that our rules do not make it necessary for Senators to stay, probably were in the minds of the framers of the Constitution when, in my opinion, in the Constitution they precluded the type of proceedings we are having today. They knew that we would not have the facilities, and that we would not be so constituted as to be able to afford to a Senator who might come here charged with the commission of a crime the type of trial to which he should be entitled.

Mr. President, again the hour is late. It will take me perhaps 10 minutes more to sum up the points which I think should be again called to the attention of the Senate. I yield at this time for the day.

Mr. CHANDLER. Mr. President, I now request that the 1940 senatorial returns in North Dakota be placed in the Record at this point as part of my remarks.

There being no objection, the returns were ordered to be printed in the Record, as follows:

|               |         |
|---------------|---------|
| 1940 returns: |         |
| Langer .....  | 100,647 |
| Lemke .....   | 92,593  |
| Vogel .....   | 69,847  |

#### MESSAGES FROM THE PRESIDENT— APPROVAL OF A BILL

Messages in writing from the President of the United States submitting certain nominations were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that on March 17, 1942, the President had approved and signed the act (S. 2249) authorizing appropriations for the United States Navy, additional ordnance manufacturing and production facilities, and for other purposes.

#### EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair), as in executive session, laid before the Senate a message from the President of the United States nominating Maj. Gen. Jonathan Mayhew Wainwright—brigadier general, Regular Army—for temporary appointment as lieutenant general in the Army of the United States, under the provisions of law, which was referred to the Committee on Military Affairs.



## EXTENSION OF WAR POWERS—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, I submit the report of the conferees on Senate bill 2208.

The PRESIDING OFFICER. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2208) entitled "An act to further expedite the prosecution of the war," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 30, 33, 34, 35, 36, 38, 39, 40, 41, 42, 43, 48, and 49 and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with the following amendments: Page 2, line 18, of the House engrossed amendments, strike out the comma and the words "and deliveries" and insert in lieu thereof a period and the word "Deliveries", and, in line 20, after the word "and" where it appears the first time, insert the words "deliveries of material under", and in the same line strike out the word "and" where it appears the second time and insert in lieu thereof the word "or"; and the House agree to the same.

Amendment numbered 11: That the Senate recede from its disagreement to the amendment of the House numbered 11, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment strike out, in the Senate engrossed bill, all after "subsection," in lines 8 and 9, page 5, down to and including "defense," in line 23, and insert in lieu thereof the following:

"Deliveries under any contract or order specified in this subsection (a) may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense."

And the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment, as follows: Page 5, line 7, of the House engrossed amendments, after the word "documentary", insert the words "evidence or certified copies thereof"; and the House agree to the same.

Amendment numbered 27: That the Senate recede from its disagreement to the amendment of the House numbered 27, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment strike out, in the Senate engrossed bill, lines 13 to 18, inclusive, on page 8, and insert in lieu thereof the following: "by striking out the proviso therein and inserting in lieu thereof the following: 'Provided, That any bonds, notes, or other obligations which are direct obligations

of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000.'"; and the House agree to the same.

Amendment numbered 28: That the Senate recede from its disagreement to the amendment of the House numbered 28, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"SEC. 501. The head of each department or agency responsible for the administration of the navigation and vessel inspection laws is directed to waive compliance with such laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request. The head of such department or agency is authorized to waive compliance with such laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other Government agency whenever he deems that such action is necessary in the conduct of the war."

And the House agree to the same.

Amendment numbered 29: That the Senate recede from its disagreement to the amendment of the House numbered 29, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"SEC. 602. The second sentence of the first paragraph of section 1 of the Act of October 16, 1941 (55 Stat. 742), entitled 'An Act to authorize the President of the United States to requisition property required for the defense of the United States,' is amended by striking out the words 'on the basis of the fair market value of the property at' and inserting in lieu thereof the words 'as of'; and at the end of such sentence, before the period, inserting the words 'in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States,' so that such sentence will read as follows: 'The President shall determine the amount of the fair and just compensation to be paid for any property requisitioned and taken over pursuant to this act and the fair value of any property returned under section 2 of this act, but each such determination shall be made as of the time it is requisitioned or returned, as the case may be, in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States.'"

And the House agree to the same.

Amendment numbered 31: That the Senate recede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment, as follows: Page 11, line 4, of the Senate engrossed bill, strike out the word "or"; and the House agree to the same.

Amendment numbered 37: That the Senate recede from its disagreement to the amendment of the House numbered 37, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment with the following amendments:

Page 13, line 8, of the Senate engrossed bill, after the number "1137," insert "; U. S. C. 1940 ed., title 8, secs. 501-907."

Page 13, line 17, of the Senate engrossed bill, after the word "war", insert "and who, having been lawfully admitted to the United States, including its Territories and possessions, shall have been at the time of his enlistment or induction a resident thereof."

Page 13, lines 19 and 20, of the Senate engrossed bill, strike out the words "and no certificate of arrival".

Page 14, lines 23 and 24, of the Senate engrossed bill, strike out the words "this act as provided in title XV" and insert in lieu thereof "those titles of the Second War Powers Act, 1942, for which the effective period is specified in the last title thereof."

Page 16, line 18, of the Senate engrossed bill, after the word "Act", insert "; and such ground for revocation shall be in addition to any other provided by law."

Page 16, strike out lines 23 and 24 of the Senate engrossed bill.

And the House agree to the same.

Amendment numbered 44: That the Senate recede from its disagreement to the amendment of the House numbered 44, and agree to the same with amendments, as follows: Page 10, line 14, of the House engrossed amendments, after "documentary", insert "evidence or certified copies thereof", and in lieu of the matter proposed to be inserted by that part of the House amendment beginning on page 12, line 19, of the House engrossed amendments, and ending on page 13, line 21 thereof, insert the following:

"SEC. 1501. The Secretary of Commerce shall, at the direction of the President, and subject to such regulations as the President may issue, make such special investigations and reports of census or statistical matters as may be needed in connection with the conduct of the war, and, in carrying out the purpose of this section, dispense with or curtail any regular census or statistical work of the Department of Commerce, or of any bureau or division thereof. Any person who shall refuse or willfully neglect to answer any questions in connection with any special investigations made under this section, or who shall willfully give answers that are false, shall upon conviction thereof be fined not exceeding \$500 or imprisoned for a period of not exceeding 60 days, or both.

"SEC. 1502. That notwithstanding any other provision of law, any record, schedule, report, or return, or any information or data contained therein, now or hereafter in the possession of the Department of Commerce, or any bureau or division thereof, may be made available by the Secretary of Commerce to any branch or agency of the Government, the head of which shall have made written request therefor for use in connection with the conduct of the war. The President shall issue regulations with respect to the making available of any such record, schedule, report, return, information or data, and with respect to the use thereof after the same has been made available. No person shall disclose or make use of any individual record, schedule, report, or return, or any information or data contained therein contrary to the terms of such regulations; and any person knowingly and willfully violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding 2 years, or both.

"SEC. 1503. For purposes of this title the term "person" shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not."

And the House agree to the same.

The committee of conference have not agreed to the following amendments:

Disagreement as to substance: Amendment numbered 32.



Disagreement solely as to title and section numbers and cross-references: Amendments numbered 45, 46, 47, and 50.

JOSEPH C. O'MAHONEY,  
WALL DOXEY,  
WARREN R. AUSTIN,

*Managers on the part of the Senate.*

HATTON W. SUMNERS,  
CHARLES F. McLAUGHLIN,  
CLARENCE E. HANCOCK,

*Managers on the part of the House.*

Mr. O'MAHONEY. I ask unanimous consent for the present consideration of the conference report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. AUSTIN. Mr. President, it seems to me that, in connection with a bill of this importance, the result of the conference should be explained to the Senate.

Mr. O'MAHONEY. I shall be very glad to follow the suggestion of the senior Senator from Vermont, who was one of the members of the conference and who contributed very substantially to the agreement which was reached in the conference.

This is what is known as the second war-powers bill. The conferees agreed upon all the amendments which were offered in the House with the exception of five, only one of which was a substantial amendment. The others were purely formal amendments. The substantial amendment was that by which the House, acting upon the recommendation of the Judiciary Committee of the House, had rejected the Senate provision extending the benefits of the employees' compensation law to certain persons hired by the Office of Civilian Defense. The House of Representatives approved the action of the House committee and struck this section from the bill. Thereafter the conferees were unable to agree. However, the House conferees took that provision back to the House for action, and again the House insisted that the provision be stricken.

The conference report agrees on all other substantial matters which were in disagreement between the two Houses. I may say that this includes the title which provided authority to the Federal Reserve Board to make direct purchases of Government obligations from the Treasury. With respect to this provision, the bill, as it passed the Senate, was unlimited. The House inserted a limitation which would practically have destroyed that power. The conferees were able to agree upon a substitute proposal which places a limitation of \$5,000,000,000 upon the amount of such bonds, so purchased directly from the Treasury, which may be held at any one time by the Federal Reserve banks.

The House of Representatives struck from the bill the whole title which was approved by the Senate, providing for the naturalization of persons serving in the armed forces of the United States during the present war. This title was approved by the House committee, but was eliminated on the floor of the House when the bill was originally considered there. The conferees agreed upon a revision of the Senate text by which the

right of naturalization was extended only to aliens who, having been lawfully admitted to the United States, its Territories or possessions, were residents at the time of enlistment or induction into the armed services.

The House inserted a new title, authorizing the Secretary of Commerce to make special investigations and reports of census matters for the purposes of the war. This also permits the Secretary of Commerce to dispense with the biennial census of manufactures, or any similar regular census or statistical work not now needed. The conferees held special hearings on this matter and received testimony that this latter provision in itself will effect a saving of something more than \$1,000,000.

Perhaps I should add that the Senate accepted the House amendment by which members of the selective service and training boards are exempted from certain prohibitions of the Hatch Act.

Another provision of the measure as agreed upon by the conferees authorizes the inspection and audit of the books of war contractors. This eliminates all possibility of such an incident as that recently pointed out by the Supreme Court in the Government suit against the Bethlehem Steel Corporation, which grew out of the last war. At that time the Government did not have the right to examine Bethlehem's books dealing with contracts of the first World War, and the Supreme Court ruled against the Government. By virtue of the provision of this bill, which was slightly changed in conference, no such incident will be possible during this war. Under the provision as agreed upon in the conference, auditing may be conducted by any governmental agency or officer designated by the President or by the Chairman of the War Production Board.

Mr. President, I think that covers substantially the matters in which the Senate is interested.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,  
March 16, 1942

*Resolved*, That the House recede from its amendments numbered 45, 46, and 50 to the bill (S. 2208) to further expedite the prosecution of the war; and

That the House further insist upon its amendments numbered 32 and 47 to said bill.

Mr. O'MAHONEY. Mr. President, in order that the formal amendments may also be eliminated, the Senate conferees having no desire to pursue further the disagreement with the House upon the matter of the Office of Civilian Defense, I move that the Senate recede from its disagreement to the amendment of the House numbered 32, and agree to the same. This amendment is purely formal, having to do with the title number.

The motion was agreed to.

Mr. O'MAHONEY. I also move that the Senate recede from its disagreement to the amendment of the House num-

bered 47, and agree to the same. This is also a purely formal amendment.

The motion was agreed to.

Mr. O'MAHONEY. The provision of the original bill which was stricken out in the House—being title VIII—comes in the middle of the bill; and since it is now eliminated it means that the sections and titles following it must all be renumbered. Therefore, with the authority of the Senate conferees and of the Senate Committee on the Judiciary, I send to the desk a concurrent resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be read by title for the information of the Senate.

The concurrent resolution (S. Con. Res. 27) was read, considered by unanimous consent, and agreed to, as follows:

*Resolved by the Senate (the House of Representatives concurring)*, That in enrolling the bill (S. 2208) to further expedite the prosecution of the war, the Secretary of the Senate is authorized and directed to make all necessary corrections in title and section numbers and cross references as may be necessary by reason of the omission from the enrolled bill of title VIII.

Mr. O'MAHONEY. I ask unanimous consent that the statement of the managers on the part of the House with respect to amendment numbered 9 be printed at this point in the Record. I do so because this amendment deals with the priorities law, and it is the desire of the Senate conferees to express their concurrence in the statement of the managers on the part of the House that amendment numbered 9 is not intended to restrict the powers of the President under the first War Powers Act.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Amendment numbered 9: The Senate bill made specific amendments to paragraph (1) of subsection (a) of section 2 of the priorities law (the act of June 28, 1940, as amended) and the House amendment set out the full text of that paragraph. The Senate recedes from its disagreement to the amendment of the House with amendments of a minor nature which clarify the language. The amendment, in setting out the full text of such paragraph (1) necessarily repeats language of existing law in which no change is proposed. Included in this language in which no change is proposed are certain restrictions on the making of Government contracts. The First War Powers Act authorized the President to relax certain requirements in the making, performance or modification of contracts whenever he deems such action would facilitate prosecution of the war. The President's powers under the First War Powers Act are not intended to be restricted by the restate-ment in this legislation of such provisions of paragraph (1) of section 2 (a).

NOMINATION OF JONATHAN MAYHEW WAINWRIGHT TO BE LIEUTENANT GENERAL

Mr. CHANDLER. Mr. President, as in executive session, from the Committee on Military Affairs, I report favorably the nomination of Maj. Gen. Jonathan Mayhew Wainwright, brigadier general, Regular Army, for temporary appointment as lieutenant general in the Army of the United States, under the provisions of law, and ask unanimous consent for



its immediate consideration. I ask that the nomination be read by the clerk, so that all Senators may know that General Wainwright has been nominated to succeed General MacArthur in command of the American troops on the Bataan Peninsula.

The PRESIDING OFFICER. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Maj. Gen. Jonathan Mayhew Wainwright—brigadier general, Regular Army—for temporary appointment as lieutenant general in the Army of the United States, under the provisions of law.

Mr. CHANDLER. Mr. President, I have consulted with the distinguished minority leader, the Senator from Oregon [Mr. McNARY]; and I understand that he has no objection to the present consideration of the nomination.

Mr. McNARY. Mr. President, I think the nomination comes within the exception to the rule; and I have no objection to its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination? The Chair hears none. Without objection, the nomination is confirmed.

Mr. CHANDLER. I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

#### ORDER FOR RECESS

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations this afternoon, it take a recess until 12 o'clock noon, tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### CONTROL OF ALIENS AND OTHERS IN MILITARY ZONES

Mr. REYNOLDS. Mr. President, I have in my hand a clipping from one of the morning Washington newspapers, reading as follows:

COAST BEGINS REMOVAL OF JAPS NEXT WEEK  
SAN FRANCISCO, March 18.—Gen. John L. De Witt, commanding the western defense command, announced tonight that evacuation of the first Japanese aliens and American-born Japanese from military area No. 1 will start "early next week" with the removal of 1,000 Japanese from the Los Angeles area.

Mr. President, I wish to address the Members of this body now with reference to Senate bill 2352, a bill to provide a penalty for violation of restrictions or orders with respect to persons entering, remaining in, leaving, or committing any act in military areas or zones, the measure relating to alien enemies and others.

As chairman of the Military Affairs Committee of the Senate, on March 9, 1942, I was requested by Hon. Henry L. Stimson, Secretary of War, to introduce the bill to which I have referred. At that time I received from the War Department a letter, signed by the Secretary of War, under date of March 9, 1942, reading as follows:

DEAR SENATOR REYNOLDS: There is enclosed herewith draft of a bill entitled "A bill to provide a penalty for violation of restrictions or orders with respect to persons entering, remaining in, or leaving military areas or zones," which the War Department recommends to be enacted into law.

The purpose of the proposed legislation is to provide for enforcement in the Federal criminal courts of orders issued under the authority of Executive order of the President No. 9066, dated February 19, 1942. This Executive order authorizes the Secretary of War to prescribe military areas from which any and all persons may be excluded for purposes of national defense.

It is impossible to estimate the probable cost to the Government consequent upon the enactment of such legislation.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation for the consideration of the Congress, as the enactment thereof would not be in conflict with the program of the President.

Sincerely yours,

HENRY L. STIMSON,  
Secretary of War.

Immediately upon receipt of the letter which I have just read I introduced Senate bill 2352, which would provide a penalty for violation of restrictions or orders with respect to persons entering, remaining in, leaving, or committing any act in military areas or zones.

The bill was immediately referred to the Committee on Military Affairs of the Senate for consideration. On Friday, March 13, 1942, the full committee of the Committee on Military Affairs of the Senate, of which I am chairman, convened for the purpose of considering the bill, at which time the committee had the benefit of the presence of Col. B. M. Bryan, of the War Department.

This bill deals primarily with the activities of aliens and alien enemies, and therefore should be of interest to every Member of the Congress of the United States, in view of the fact that there are more than 5,000,000 aliens within the confines of continental United States. It may be stated without exaggeration that one of our most important fronts is the American front, and without the proper control of aliens and enemies of this Government we can hardly expect to be successful in other areas of the world unless we first provide protection for American citizens on the American front, where we must guard carefully our great munitions and manufacturing structures engaged in the production of war materials. It is concerning this that I wish to speak first in discussing the importance of the bill.

In order that the two Houses of the Congress of the United States and the American public may be given an insight into the battlefield on the home front, I wish particularly to bring to the attention of the Members of this body the alien question as it exists today, fifth-column activities within the United States, in other words, to give a brief discussion of the subject pertaining to the matter of fighting the foe within. We will remember Pearl Harbor. We recall that the invading forces certainly were provided aid from Japanese on land on the island of Oahu, which, I understand, is the only island of the Hawaiian group

that is anywhere near properly fortified at the present hour. The report reaches us that canefields were cut in the form of arrows pointing to military objectives; that vegetable dealers and merchants kept detailed records of purchased naval supplies in order to gage fleet movements; and that fishing sampans are believed to have been in touch with ships of the Japanese fleet, or certainly with agents of the Japanese military intelligence division. The fact is, that on December 5, 2 days before the attack, telephone conversation lasting around 18 minutes was carried on between a Japanese in Hawaii and Japan by which important military information was communicated to the Japanese Government.

When the vicious attack of December 7 came, Japanese are reported to have wrecked cars and otherwise obstructed traffic. It is revealed that Japanese pilots shot down above Pearl Harbor were found to be wearing Honolulu high-school insignia and United States college rings, and one person, later arrested as a spy, had been a highly regarded Honolulu citizen for 20 years.

Since the Pearl Harbor incident, enemy activity on the Pacific coast has quieted, but this lull itself leads our officials to suspect perhaps further blows, and evidences the fact that enemy groups of saboteurs are under excellent control by their leaders. Air and submarine attacks from the sea, for example, could be coordinated with sabotage on land by dynamiting dams, power plants, oil fields, refineries, and defense factories. Japanese settlements often are near these vital areas. Let us not forget that these Japanese who constitute a grave peril to our Nation are aided and abetted by an overwhelming mass of disloyal German and Italian sympathizers.

Reasons for suspected widespread fifth-column activity among Japanese is found in information gathered by our distinguished colleague, Senator GUY GILLETTE, of Iowa. The Senator recently pointed out that, although American-born Japanese are regarded as United States citizens, they also are held to be subjects of Nippon unless they specifically renounce the Emperor. Few renunciations have been made, and all citizens may be conscripted into the Japanese service.

Furthermore, Japanese consuls, Buddhist priests, and other leaders have been propagandizing the children of their countrymen for years right here beneath the shadows of the American flag, right here in continental United States. We learn that from translations of essays written by Japanese high-school students in southern California to celebrate the twenty-six hundredth anniversary of the Empire. These students have expressed and do express pride in their dual citizenship and approval of Japanese ambitions in Asia.

This explains evacuation plans which I shall later mention.

In the face of such thorough propaganda activity which I have just mentioned, officials now feel that too much would be risked in allowing Japanese and other enemy aliens to remain in coastal areas, although some injustices



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Mr. ANDREWS. The statement of the chairman is exactly correct.

Mr. RANDOLPH. Reserving the right to object, Mr. Speaker, I have no intention of objecting, but I feel we can cut nonessential spending and give more money to our soldiers. I ask the distinguished chairman of the Committee on Military Affairs if it is not his opinion that Congress should at this time give careful consideration with a view to raising the basic pay of the privates in the Army.

Mr. MAY. I believe such a bill is pending in the House Committee on Military Affairs at this time. We plan to have hearings on it at such time as we can conveniently do so, considering the press of other important legislation.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### COMMITTEE ON NAVAL AFFAIRS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the Committee on Naval Affairs be permitted to sit during the sessions of the House for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

#### SECOND WAR POWERS BILL

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 27.

The Clerk read the resolution, as follows:

*Resolved by the Senate (the House of Representatives concurring), That in enrolling the bill (S. 2208) to further expedite the prosecution of the war, the Secretary of the Senate is authorized and directed to make all necessary corrections in title and section numbers and cross references as may be necessary by reason of the omission from the enrolled bill of title VIII.*

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from the Petroleum World entitled "A Job for the Military," and in another extension to include an article from the San Francisco Call-Bulletin.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matters referred to appear in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program today and following any special orders heretofore entered I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I am inserting in the RECORD today an article from the Petroleum World, entitled "A Job for the Military." It appears that our petroleum interests in California are not being properly patrolled, and this article calls the attention of our people to the situation existing there.

A second extension of my remarks has to do with the shortage of rubber. It is stated by the writer of the article I am including in my remarks that we can reclaim 450,000 tons of rubber. If this can be done, I see no reason why it should not be done. An ear should be lent to such suggestions as this. I hope all the Members of the House will read the article.

At the conclusion of the legislative program today I expect to address the House on the subject of the 40-hour week, and I expect to tell Mr. Phil Murray some of the things he ought to know. [Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. ROLPH. Mr. Speaker, I ask unanimous consent that I may be permitted to extend my remarks in the Appendix of the RECORD and to include therein an editorial from the San Francisco Examiner entitled "Fair Trade Practices."

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROLPH. Mr. Speaker, I also ask unanimous consent to extend my remarks in the RECORD and to include an editorial from the San Francisco Call-Bulletin.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, it has been suggested that the Congress recess and go home in order to learn of the attitude of the people on the question of strikes, the 40-hour week, war production, and war profits. I would hate to think that the House is so blind and insensible that it does not already know the wishes of the people on these questions. The wishes of the people have been obvious for a long time, and a Member of Congress who does not now know the will of the people when it is so crystal clear must have an amazing method of isolating himself from the people whom he represents.

Mr. Speaker, in my opinion it will be an outrage if this House votes to recess before voting on legislation effectively suspending the 40-hour week, speeding up production, and eliminating industrial graft and excess profits. Effective legislation should be passed immediately, not at some indefinite future date. MacArthur and his men did not take a recess. They did what was necessary and they did it without delay or hesitation. This Congress can do no less.

For my part, I shall vote against a recess until we have voted on the legislation referred to and I ask for a roll call vote on the record at the proper time on the question of a recess.

In regard to strikes and racketeering, it is only fair to point out that the House last December passed effective legislation, and the bill now reposes in the Senate.

JESSE H. POWELL

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[Mr. COCHRAN addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### LETTER TO WAYNE COY

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. VORYS of Ohio addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### EXTENSION OF REMARKS

Mr. ROBERTSON of North Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article by Roger Babson.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROBERTSON of North Dakota. Mr. Speaker, I also ask unanimous consent to extend my remarks in the RECORD



and to include therein an editorial from the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

#### PERMISSION TO ADDRESS THE HOUSE

Mr. SCHULTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and I also ask unanimous consent that I may be permitted to address the House for 10 minutes today following any previous special order and after the regular legislative program of the day.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[Mr. SCHULTE addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes today following any previous special order and the regular legislative program of the day.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute at this time.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I rise to put my head into the lion's mouth and to protest against an editorial appearing in the Washington Daily News entitled "The Speaker Squawks."

In my judgment, the statement of the Speaker of the House commenting on agitation going on throughout the country and pointing out the vast importance of national unity was an altogether proper statement. I found nothing whatsoever in that statement objecting to fair and honest criticism of Congress. In my further judgment, the position of the National Legislature in the United States, regardless of what the opinion of Members of the House or of other people may be about specific issues, is of the most fundamental importance to the preservation of democracy. The very first necessity of dictatorship is destruction of the national legislative body. In my judgment, all the Speaker asked for and all that I am asking for is that people tell the truth when they offer criticism. The Congress can and should stand all honest criticism. But neither this nor any other institution can stand continued misrepresentation. In this very editorial Congress is taken to task for having provided for "self-allocated pensions for Congressmen." I am wondering whether the writer of the editorial knows that that measure was wiped off the statute books. I believe we must have criticism, we must have debate, we must have disagreements, but we and everyone else

must understand that nothing is to be gained for our country by either New Dealers or old dealers trying to use this war to try to prosecute their own aims. And when anyone says, "We can have national unity as soon as Congress does just what I want them to do," he is asking something which is quite impossible in a democracy. No one can have his way altogether.

The Speaker of the House is the symbol of the House. I rise to express my protest against this editorial.

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. CASEY of Massachusetts. Mr. Speaker, I ask unanimous consent to extend in the RECORD an address delivered by Mr. Archibald MacLeish.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CASEY of Massachusetts. Also, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the inclusion of an editorial from the Boston Post.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my remarks and include excerpts from an article from the magazine *Amerasia*.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

#### JAPANESE LANGUAGE SCHOOLS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HINSHAW. Mr. Speaker, it has been found that the so-called Japanese-language schools have been used for years for the purpose of indoctrinating the American-born children of Japanese descent with the ideals of that country and their ancestry, in order to fasten upon them such ties to Japan as may make them suitable material either for the Japanese Army or Navy, their spy system, or fifth-column work. Many of the graduates of these Japanese-language schools have been required to go to Japan for 1 or 2 years' training and then return to the United States.

Doubtless a good number of those postgraduates are ready and willing to carry out any orders which may be given to them by the Japanese Government, and yet they retain their American citizenship, granted them by virtue of their birth in this country. Similar schools may be operating in this country under the aegis of the Nazi, Fascist, or other foreign governments—in the future, if not now.

The two bills which I have introduced are for the direct purpose of wiping out these educational mills for the production of American-born fifth columnists and

saboteurs. I hope that one of these bills will be adopted by the Congress and approved by the President without delay, and I hope that the stronger of the two will be the one adopted. To let these things go on without legal restriction would be the height of folly.

#### VALIDITY OF PROTEST AGAINST CERTAIN LABOR LAWS

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RIZLEY addressed the House. His remarks appear in the Appendix of today's RECORD.]

#### EXTENSION OF REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my remarks and include a resolution adopted by the Independent Gas Association of Kansas.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

#### FORTY-HOUR WEEK MUST GO

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOPE. Mr. Speaker, we cannot afford the luxury of a privileged class in this country at a time when the Nation is fighting for its very life. That is why the 40-hour week must go. While our soldiers and sailors, our farmers and small businessmen, and millions of other American citizens are working long and sometimes unlimited hours to prepare the Nation for victory, we have a special group whose leaders declare that its members will not work more than 40 hours per week unless they receive a pay increase of 50 percent. I do not believe that the workingmen of this country want to put themselves in a privileged class. I think that they want to do their part without favoritism or special privileges.

I believe that if you would leave the matter to these patriotic American workmen the vote would be overwhelming to do away with the 40-hour week. I believe that if the leaders of labor organizations are wise and farsighted they will agree with the almost unanimous sentiment of other Americans that for the duration of this emergency there must be no 40-hour week, no time and a half for overtime, and no special privileges for any group or class in this country.

#### LABOR RACKETEERS

Mr. COFFEE of Nebraska. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Nebraska. Mr. Speaker, the people of this Nation are aroused because the labor racketeers are permitted to take advantage of the national emergency to force closed-shop agreements and other unjustifiable demands on industries engaged in war production. Every group and every individual in this

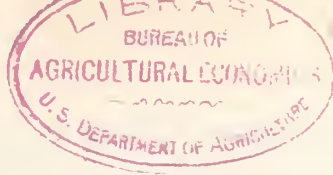


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[PUBLIC LAW 507—77TH CONGRESS]

[CHAPTER 199—2D SESSION]

[S. 2208]

AN ACT

To further expedite the prosecution of the war.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I—EMERGENCY POWERS OF THE INTERSTATE COMMERCE COMMISSION OVER MOTOR AND WATER CARRIERS

SEC. 101. Section 204 of the Interstate Commerce Act, as amended (U. S. C., 1940 ed., title 49, sec. 304), is hereby amended by adding after subsection (d) thereof the following:

“(e) The Commission shall have authority with respect to motor carriers, to be exercised under similar circumstances and procedure, equivalent to the authority it has with respect to other carriers under section 1 (15) of part I, and shall have authority, to the extent necessary to facilitate the prosecution of the war and not in contravention of State laws and regulations with respect to sizes and weights of motor vehicles, to make reasonable directions with respect to equipment, service, and facilities of motor carriers, and to require the joint use of equipment, terminals, warehouses, garages, and other facilities; and motor carriers shall be subject to the same penalties for failure to comply with action taken by the Commission under this paragraph as other carriers for failure to comply with action taken by the Commission under section 1 (15) of part I.

“(f) Notwithstanding any other applicable provision of this Act, to the extent that it may be in the public interest, the Commission may modify, change, suspend or waive any order, certificate, permit, license, rule, or regulation issued under this part.”

SEC. 102. Subsection (a) of section 210a of said Act, as amended (U. S. C., 1940 ed., title 49, sec. 310a (a)), is hereby amended by striking out the words “but for not more than an aggregate of one hundred and eighty days”.

SEC. 103. Subsection (a) of section 311 of said Act, as amended (U. S. C., 1940 ed., title 49, sec. 911 (a)) is hereby amended by striking out the words “but not for more than an aggregate of one hundred and eighty days”.

## TITLE II—ACQUISITION AND DISPOSITION OF PROPERTY

SEC. 201. The Act of July 2, 1917 (40 Stat. 241), entitled “An Act to authorize condemnation proceedings of lands for military purposes”, as amended, is hereby amended by adding at the end thereof the following section:

"SEC. 2. The Secretary of War, the Secretary of the Navy, or any other officer, board, commission, or governmental corporation authorized by the President, may acquire by purchase, donation, or other means of transfer, or may cause proceedings to be instituted in any court having jurisdiction of such proceedings, to acquire by condemnation, any real property, temporary use thereof, or other interest therein, together with any personal property located thereon or used therewith, that shall be deemed necessary, for military, naval, or other war purposes, such proceedings to be in accordance with the Act of August 1, 1888 (25 Stat. 357), or any other applicable Federal statute, and may dispose of such property or interest therein by sale, lease, or otherwise, in accordance with section 1 (b) of the Act of July 2, 1940 (54 Stat. 712). Upon or after the filing of the condemnation petition, immediate possession may be taken and the property may be occupied, used, and improved for the purposes of this Act, notwithstanding any other law. Property acquired by purchase, donation, or other means of transfer may be occupied, used, and improved, for the purposes of this section prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended."

### TITLE III—PRIORITIES POWERS

SEC. 301. Subsection (a) of section 2 of the Act of June 28, 1940 (54 Stat. 676), entitled "An Act to expedite national defense, and for other purposes", as amended by the Act of May 31, 1941 (Public Law Numbered 89, Seventy-seventh Congress), is hereby amended to read as follows:

"SEC. 2. (a) (1) That whenever deemed by the President of the United States to be in the best interests of the national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable. Deliveries of material under all orders placed pursuant to the authority of this paragraph and all other naval contracts or orders and deliveries of material under all Army contracts or orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every three months to the Congress the contracts entered into under the authority of this paragraph: *Provided further*, That contracts negotiated pursuant to the provisions of this paragraph shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45): *Provided further*, That nothing herein contained shall relieve a bidder or con-



tractor of the obligation to furnish the bonds under the requirements of the Act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under the authority granted by this paragraph to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this paragraph, or any War Department contract entered into in the form of cost-plus-a-fixed-fee, shall not exceed 7 per centum of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be).

“(2) Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy, deliveries of material under—

“(A) Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled ‘An Act to promote the defense of the United States’;

“(B) Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;

“(C) Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection (a).

Deliveries under any contract or order specified in this subsection (a) may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

“(3) The President shall be entitled to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, any person (which, for the purpose of this subsection (a), shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not), and make such investigations, as may be necessary or appropriate, in his discretion, to the enforcement or administration of the provisions of this subsection (a).

“(4) For the purpose of obtaining any information, verifying any report required, or making any investigation pursuant to paragraph (3), the President may administer oaths and affirmations, and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other

documentary or physical evidence which may be relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpoena issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this subsection (a), on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The President shall not publish or disclose any information obtained under this paragraph which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the President determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

"(5) Any person who willfully performs any act prohibited, or willfully fails to perform any act required by, any provision of this subsection (a) or any rule, regulation, or order thereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than one year, or both.

"(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection (a) or any rule, regulation, or order or subpoena thereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection (a) to enforce any liability or duty created by, or to enjoin any violation of, this subsection (a) or any rule, regulation, order, or subpoena thereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which



any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoena for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection (a).

“(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this subsection (a) or any rule, regulation, or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

“(8) The President may exercise any power, authority, or discretion conferred on him by this subsection (a), through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe.”

## TITLE IV—PURCHASE BY FEDERAL RESERVE BANKS OF GOVERNMENT OBLIGATIONS

SEC. 401. Subsection (b) of section 14 of the Act of December 23, 1913 (38 Stat. 265), otherwise known as the Federal Reserve Act, as amended, is hereby amended by striking out the proviso therein and inserting in lieu thereof the following: “*Provided*, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such purchases and sales shall be made in accordance with the provisions of section 12A of this Act and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed \$5,000,000,000.”

## TITLE V—WAIVER OF NAVIGATION AND INSPECTION LAWS

SEC. 501. The head of each department or agency responsible for the administration of the navigation and vessel inspection laws is directed to waive compliance with such laws upon the request of the Secretary of the Navy or the Secretary of War to the extent deemed necessary in the conduct of the war by the officer making the request. The head of such department or agency is authorized to waive compliance with such laws to such extent and in such manner and upon such terms as he may prescribe either upon his own initiative or upon the written recommendation of the head of any other Government agency whenever he deems that such action is necessary in the conduct of the war.

## TITLE VI—POWER TO REQUISITION

SEC. 601. The last paragraph of section 1 of the Act of October 16, 1941 (55 Stat. 742), entitled "An Act to authorize the President of the United States to requisition property required for the defense of the United States", is amended by deleting subdivision (3) thereof, so that the paragraph will read as follows:

"Nothing contained in this Act shall be construed—

"(1) to authorize the requisitioning or require the registration of any firearms possessed by an individual for his personal protection or sport (and the possession of which is not prohibited or the registration of which is not required by existing law),

"(2) to impair or infringe in any manner the right of any individual to keep and bear arms."

SEC. 602. The second sentence of the first paragraph of section 1 of the Act of October 16, 1941 (55 Stat. 742), entitled "An Act to authorize the President of the United States to requisition property required for the defense of the United States", is amended by striking out the words "on the basis of the fair market value of the property at" and inserting in lieu thereof the words "as of"; and at the end of such sentence, before the period, inserting the words "in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States", so that such sentence will read as follows: "The President shall determine the amount of the fair and just compensation to be paid for any property requisitioned and taken over pursuant to this Act and the fair value of any property returned under section 2 of this Act, but each such determination shall be made as of the time it is requisitioned or returned, as the case may be, in accordance with the provision for just compensation in the fifth amendment to the Constitution of the United States."

## TITLE VII—POLITICAL ACTIVITY

SEC. 701. Subsection (a) of section 9 of the Act of August 2, 1939 (53 Stat. 1148), entitled "An Act to prevent pernicious political activities", as amended, is hereby amended by adding in the second sentence after the word "thereof" the words "except a part-time officer or part-time employee without compensation or with nominal compensation serving in connection with the existing war effort, other than in any capacity relating to the procurement or manufacture of war material".

## TITLE VIII—PROTECTION OF WAR INDUSTRIES AND PROTECTION OF RESOURCES SUBJECT TO HAZARDS OF FOREST FIRES

SEC. 801. The President is empowered to direct the Administrator of the Federal Security Agency to assign the manpower of the Civilian Conservation Corps to the extent necessary to protect the munitions, aircraft, and other war industries, municipal water supply, power and other utilities, and to protect resources subject to the hazards of forest fires.



## TITLE IX—FREE POSTAGE FOR SOLDIERS, SAILORS, AND MARINES

SEC. 901. Any first-class letter mail matter admissible to the mails as ordinary mail matter which is sent by a member of the military or naval forces of the United States (including the United States Coast Guard), while on active duty or in the active military or naval service of the United States, to any person in the United States, including the Territories and possessions thereof, shall be transmitted in the mails free of postage, subject to such rules and regulations as the Postmaster General shall prescribe.

## TITLE X—NATURALIZATION OF PERSONS SERVING IN THE ARMED FORCES OF THE UNITED STATES DURING THE PRESENT WAR

SEC. 1001. The Act of October 14, 1940 (54 Stat. 1137; U. S. C., 1940 ed., title 8, secs. 501-907), entitled "An Act to revise and codify the nationality laws of the United States into a comprehensive nationality code", is hereby amended by adding thereto a new title as follows:

### "TITLE III

"SEC. 701. Notwithstanding the provisions of sections 303 and 326 of this Act, any person not a citizen, regardless of age, who has served or hereafter serves honorably in the military or naval forces of the United States during the present war and who, having been lawfully admitted to the United States, including its Territories and possessions, shall have been at the time of his enlistment or induction a resident thereof, may be naturalized upon compliance with all the requirements of the naturalization laws except that (1) no declaration of intention and no period of residence within the United States or any State shall be required; (2) the petition for naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner; (3) the petitioner shall not be required to speak the English language, sign his petition in his own handwriting, or meet any educational test; and (4) no fee shall be charged or collected for making, filing, or docketing the petition for naturalization, or for the final hearing thereon, or for the certification of naturalization, if issued: *Provided, however,* That (1) there shall be included in the petition the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knows the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States, (2) the service of the petitioner in the military or naval forces of the United States shall be proved by affidavits, forming part of the petition, of at least two citizens of the United States, members or former members during the present war of the military or naval forces of the noncommissioned or warrant officer grade or

higher (who may be the witnesses described in clause (1) of this proviso), or by a duly authenticated copy of the record of the executive department having custody of the record of petitioner's service, showing that the petitioner is or was during the present war a member serving honorably in such armed forces, and (3) the petition shall be filed not later than one year after the termination of the effective period of those titles of the Second War Powers Act, 1942, for which the effective period is specified in the last title thereof. The petitioner may be naturalized immediately if prior to the filing of the petition the petitioner and the witnesses required by the foregoing proviso shall have appeared before and been examined by a representative of the Immigration and Naturalization Service.

"SEC. 702. During the present war, any person entitled to naturalization under section 701 of this Act, who while serving honorably in the military or naval forces of the United States is not within the jurisdiction of any court authorized to naturalize aliens, may be naturalized in accordance with all the applicable provisions of section 701 without appearing before a naturalization court. The petition for naturalization of any petitioner under this section shall be made and sworn to before, and filed with, a representative of the Immigration and Naturalization Service designated by the Commissioner or a Deputy Commissioner, which designated representative is hereby authorized to receive such petition in behalf of the Service, to conduct hearings thereon, to take testimony concerning any matter touching or in any way affecting the admissibility of any such petitioner for naturalization, to call witnesses, to administer oaths, including the oath of the petitioner and his witnesses to the petition for naturalization and the oath of renunciation and allegiance prescribed by section 335 of this Act, and to grant naturalization, and to issue certificates of citizenship: *Provided*, That the record of any proceedings hereunder together with a copy of the certificate of citizenship shall be forwarded to and filed by the clerk of a naturalization court in the district in which the petitioner is a resident and be made a part of the record of the court.

"SEC. 703. The ninety days' notice required by subsection (b) of section 326 of this Act to be given by the clerk of the naturalization court to the Commissioner may be waived by the Commissioner in his discretion. In any petition in which such notice is waived the Commissioner shall cause the clerk of court to be notified to that effect.

"SEC. 704. The provisions of this title shall not apply to (1) any person who during the present war is dishonorably discharged from the military or naval forces or is discharged therefrom on account of his alienage, or (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform: *Provided*, That citizenship granted pursuant to this title may be revoked as to any person subsequently dishonorably discharged from the military or naval forces in accordance with Section 338 of this Act; and such ground for revocation shall be in addition to any other provided by law.

"SEC. 705. The Commissioner, with the approval of the Attorney General, shall prescribe and furnish such forms, and shall make such rules and regulations, as may be necessary to carry into effect the provisions of this Act.



## TITLE XI—ACCEPTANCE OF CONDITIONAL GIFTS TO FURTHER THE WAR PROGRAM

SEC. 1101. To further the war program of the United States, the Secretary of the Treasury is authorized to accept or reject on behalf of the United States any gift of money or other property, real or personal, or services, made on condition that it be used for a particular war purpose.

SEC. 1102. The Secretary of the Treasury may convert into money, at the best terms available, any such gift of property other than money.

SEC. 1103. There shall be established on the books of the Treasury a special deposit account to be designated as the "War Contributions Fund", into which shall be deposited all money received as a result of such gifts.

SEC. 1104. The Secretary of the Treasury, in order to effectuate the purposes for which gifts accepted under this title are made, shall from time to time allocate the money in such special deposit account to such of the various appropriations available for the purchase of war material and the furtherance of the war program of the United States as in his judgment will best effectuate the intent of the donors, and such money is hereby appropriated and shall be available for expenditure for the purposes of the appropriations to which allocated.

SEC. 1105. The Secretary of the Treasury shall include in his Annual Report to the Congress a summary of the gifts made and accepted under this title.

SEC. 1106. Whoever shall solicit any gift of money or other property, and represent that such gift is being solicited for the use of the United States, with the intention of embezzling, stealing, or purloining such gift, or converting the same to any other use or purpose, or whoever, having come into possession of any money or property which has been donated by the owner thereof for the use of the United States, shall embezzle, steal, or purloin such money or property, or convert the same to any other use or purpose, shall be guilty of a felony and upon conviction thereof shall be fined not more than \$5,000 or imprisoned for not more than five years, or both.

## TITLE XII—COINAGE OF 5-CENT PIECES

SEC. 1201. Notwithstanding any other provision of law, the Director of the Mint shall cause the metallic content of all 5-cent pieces coined after the effective date of this title and prior to December 31, 1946, to be one-half silver and one-half copper: *Provided*, That the Director of the Mint, with the approval of the Secretary of the Treasury and the Chairman of the War Production Board, is authorized to vary the proportions of silver and copper and to add other metals if such action would be in the public interest. Such 5-cent pieces shall be deemed to be minor coins or coinage and not silver coins, subsidiary silver coins, silver coinage, or subsidiary silver coinage within the meaning of the monetary laws of the United States.

SEC. 1202. For the coinage of such 5-cent pieces the Secretary of the Treasury is hereby authorized to allocate to the Director of the

Mint, at such times and in such amounts as the Secretary deems necessary, any silver bullion in the monetary stocks of the United States not then held for redemption of any outstanding silver certificates. Silver so allocated shall be accounted for by entries in the fund established for the purchase of metal for minor coinage: *Provided*, That the value of any silver bullion accounted for in said fund shall not be considered for the purpose of determining the statutory limit of said fund: *Provided further*, That the gain from the minor coinage provided for by this title shall be accounted for by entries in the minor coinage profit fund.

SEC. 1203. No silver-copper ingots shall be used for the minor coinage provided for by this title which differ from the legal standard by more than ten-thousandths. In adjusting the weight of such minor coins there shall be no greater deviation allowed than four grains for each piece.

SEC. 1204. For the purpose of section 3529 of the Revised Statutes (U. S. C., title 31, sec. 341), the 5-cent pieces provided for by this title shall be deemed to be copper.

SEC. 1205. Upon redemption any 5-cent pieces coined in accordance with the provisions of this title shall after December 31, 1946, be allocated to the Director of the Mint for melting and for subsidiary silver coinage. Any 5-cent pieces coined in accordance with the provisions of this title but not issued by the Mint may after December 31, 1946, be allocated, in such amounts and at such times as the Secretary of the Treasury in his discretion may determine, to the Director of the Mint for melting and for subsidiary silver coinage. All 5-cent pieces allocated to the Director of the Mint in accordance with this section shall be accounted for by entries in the fund established for the purchase of silver bullion for subsidiary silver coinage. Upon coinage into subsidiary silver coins of the metal contained in the 5-cent pieces so allocated, the gain shall be accounted for by entries in the silver-profit fund.

SEC. 1206. This title shall become effective sixty days after approval.

### TITLE XIII—INSPECTION AND AUDIT OF WAR CONTRACTORS

SEC. 1301. The provisions of section 10 (1) of an Act approved July 2, 1926 (44 Stat. 787; 10 U. S. C. 310 (1)) (giving the Government the right to inspect the plant and audit the books of certain Contractors), shall apply to the plant, books, and records of any contractor with whom a defense contract has been placed at any time after the declaration of emergency on September 8, 1939, and before the termination of the present war: *Provided*, That, for the purpose of this title, the term "defense contract" shall mean any contract, subcontract, or order placed in furtherance of the defense or war effort: *And provided further*, That the inspection and audit authorized herein, and the determination whether a given contract is a "defense contract" as defined above, shall be made by a governmental agency or officer designated by the President, or by the Chairman of the War Production Board.

SEC. 1302. For the purpose of obtaining any information or making any inspection or audit pursuant to section 1301, any agency acting



hereunder, or the Chairman of the War Production Board, as the case may be, may administer oaths and affirmations and may require by subpoena or otherwise the attendance and testimony of witnesses and the production of any books or records or any other documentary or physical evidence which may be deemed relevant to the inquiry. Such attendance and testimony of witnesses and the production of such books, records, or other documentary or physical evidence may be required at any designated place from any State, Territory, or other place subject to the jurisdiction of the United States: *Provided*, That the production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person resides or transacts business, if, prior to the return date specified in the subpoena issued with respect thereto, such person furnishes such agency or the Chairman of the War Production Board, as the case may be, with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with such agency or the Chairman of the War Production Board, as the case may be, as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. No person shall be excused from attending and testifying or from producing any books, records, or other documentary evidence or certified copies thereof or physical evidence in obedience to any such subpoena, or in any action or proceeding which may be instituted under this section, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be subject to prosecution and punishment or to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that any such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. Such agency or the Chairman of the War Production Board shall not publish or disclose any information obtained under this title which such agency or the Chairman of the War Production Board deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless such agency or the Chairman of the War Production Board determines that the withholding thereof is contrary to the interest of the national defense and security; and anyone violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

SEC. 1303. In case of contempt by, or refusal to obey a subpoena issued to, any person, any agency acting hereunder, or the Chairman of the War Production Board, as the case may be, may invoke the aid of any court of the United States within the jurisdiction of which any investigation or proceeding under this title is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, records, or other documentary or physical evidence. And such court

may issue an order requiring such person to give testimony or produce any books, records, or other documentary or physical evidence touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, records, or other documentary or physical evidence, if in his power to do so, in obedience to the subpoena of any agency acting hereunder, or the Chairman of the War Production Board, as the case may be, shall be guilty of a misdemeanor, and, upon conviction, shall be subject to a fine of not more than \$5,000, or to imprisonment for a term of not more than one year, or both.

SEC. 1304. For purposes of this title the term "person" shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.

#### TITLE XIV—UTILIZATION OF VITAL WAR INFORMATION

SEC. 1401. The Secretary of Commerce shall, at the direction of the President, and subject to such regulations as the President may issue, make such special investigations and reports of census or statistical matters as may be needed in connection with the conduct of the war, and, in carrying out the purpose of this section, dispense with or curtail any regular census or statistical work of the Department of Commerce, or of any bureau or division thereof. Any person who shall refuse or willfully neglect to answer any questions in connection with any special investigations made under this section, or who shall willfully give answers that are false, shall upon conviction thereof be fined not exceeding \$500 or imprisoned for a period of not exceeding sixty days, or both.

SEC. 1402. That notwithstanding any other provision of law, any record, schedule, report, or return, or any information or data contained therein, now or hereafter in the possession of the Department of Commerce, or any bureau or division thereof, may be made available by the Secretary of Commerce to any branch or agency of the Government, the head of which shall have made written request therefor for use in connection with the conduct of the war. The President shall issue regulations with respect to the making available of any such record, schedule, report, return, information or data, and with respect to the use thereof after the same has been made available. No person shall disclose or make use of any individual record, schedule, report, or return, or any information or data contained therein contrary to the terms of such regulations; and any person knowingly and willfully violating this provision shall be guilty of a felony and upon conviction thereof shall be fined not exceeding \$1,000, or be imprisoned not exceeding two years, or both.

SEC. 1403. For purposes of this title the term "person" shall include any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.



## TITLE XV—TIME LIMIT AND SHORT TITLE

SEC. 1501. Titles I to IX, inclusive, and titles XI and XIV of this Act, and the amendments to existing law made by any such title, shall remain in force only until December 31, 1944, or until such earlier time as the Congress by concurrent resolution, or the President, may designate, and after such amendments cease to be in force any provision of law amended thereby shall be in full force and effect as though this Act had not been enacted; but no court proceedings brought under any such title shall abate by reason of the termination hereunder of such title.

SEC. 1502. This Act may be cited as the "Second War Powers Act, 1942".

Approved, March 27, 1942, 3 p. m. Eastern War Time

